



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

Daily Report

East Asia

**FBIS-EAS-89-065
Thursday
6 April 1989**

Daily Report

East Asia

FBIS-EAS-89-065

CONTENTS

6 April 1989

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Pressure Mounts for Cabinet Dissolution [KYODO]	1
Opposition To 'Overthrow' Cabinet [KYODO]	1
Recruit Implicated in Takeshita Fund-Raising [KYODO]	2
Diplomats, Businessmen Discuss U.S. Trade [KYODO]	3
SRV Seeks Help in Solving Cambodia Problem [KYODO]	3
Rev Mun Explains Trip to North Korea [KYODO]	4
Tanabe Discusses Detained Seamen in Beijing [KYODO]	5
JCP Shuns Chinese, Soviet Approach to Peace [KYODO]	5
Joint Advertising Venture With PRC Planned [KYODO]	5
Loans to Third World Increase by 58 Percent [KYODO]	6

Mongolia

Lack of 'Culture Consumption' Viewed [Ulaanbaatar International]	6
Sodnom Meets Heads of Trade, Catering Groups [Ulaanbaatar International]	6
Commentary Outlines Relations With DPRK [Ulaanbaatar International]	6

North Korea

Rev Mun Holds News Conference on Return Trip	7
Speaks in Beijing [KCNA]	7
Answers Questions in Tokyo [KCNA]	9
Mun Ik-hwan Sends Notes to Japanese Paper [KCNA]	10
Paper Decries South Treatment of Rev Mun [KCNA]	11
Various People From South Defect to North [KCNA]	11
Chongnyon Supports Parties, Groups Statement [KCNA]	12
U.S. Accused of 'Reckless Play With Fire' [KCNA]	12
Japan's Policy on Military Exercises Criticized [KCNA]	12
JSP Delegation Wraps Up Visit 5 April	13
WPK Willing To Receive LDP Group [KYODO]	13
Delegation Leaves Pyongyang [KCNA]	13
Trade, Technology Agreement Signed With PRC [KCNA]	13
Provincial Delegation Departs for Soviet Union [KCNA]	14
Mongolian Foreign Minister Continues Visit	14
Meets With Kim Yong-nam [KCNA]	14
Gives Gift for Kim Chong-il [KCNA]	14
Meets With Kim Il-song [KCNA]	14
Iranian Revolutionary Guards Group Pays Visit	14
Presents Gift to Kim Il-song [KCNA]	14
Gives Gift for Kim Chong-il [KCNA]	15
Paper on Merits of Upcoming Youth Festival [KCNA]	15
Kim Il-song Sends Greetings to PLO's 'Arafat' [KCNA]	15
Kim Il-song Gives Guidance at Cement Complex [KCNA]	15

South Korea

Seoul Asks Tokyo To Ban Rev Mun Politicking [THE KOREA TIMES 6 Apr]	16
Requests Early Mun Return [YONHAP]	16
Mun Entourage Member Interviewed [CHOSON ILBO 4 Apr]	16
No Tae-u Says Mun Case 'Threatening' Society [THE KOREA HERALD 6 Apr]	17
Kim Tae-chung Faces Difficulties Over Mun Visit [THE KOREA TIMES 6 Apr]	17
Dissidents Hold News Conference on Mun Statement [CHOSON ILBO 4 Apr]	18
Pyongminyon Opposes Mun's Arrest Upon Return [THE KOREA HERALD 6 Apr]	19
Pak Kwan-yong Criticizes Mun's North Visit [THE KOREA TIMES 6 Apr]	19
Kim Tae-chung Proposes Political Talks on Mun [YONHAP]	19
Telephone Poll Taken on Views Toward Mun Visit [HANGUK ILBO 4 Apr]	19
Chong Chu-yong Not Allowed To Visit North [YONHAP]	20
Policy of Improving Ties With North To Continue	20
No Meets With Korean-Japanese Group [YONHAP]	20
Mun Case Does Not Affect Policy [YONHAP]	21
DJP To Seek 'Unshakable' Policy [THE KOREA HERALD 6 Apr]	21
* Conglomerates Gear Up for South-North Trade [CHUGAN MAEKYONG 19 Jan]	21
* Trade Will Cause Problems [MEIL KYONGJE SINMUN 19 Jan]	24
* Pak Chol-on, Pak Se-chik Rivalry Revealed [IRYO SINMUN 5 Mar]	26
* Criticism Grows of Pak's 'Secret Diplomacy' [ILYO SINMUN 12 Feb]	29
North Economist Discusses 'Classless Society' [THE KOREA HERALD 6 Apr]	31
'Erroneous' U.S. Trade Complaints Pointed Out [THE KOREA HERALD 6 Apr]	32
* Report Rejects U.S. Call To Revalue Won [CHUGAN MAEKYONG 9 Feb]	33
U.S. Firm in Masan Closing Due to Labor Problems [THE KOREA HERALD 5 Apr]	34
Businesses Welcome Direct Trade With USSR [THE KOREA TIMES 6 Apr]	34
Direct Shipping With China Delayed Until May [YONHAP]	35
Films From Communist Countries Shown in Seoul [YONHAP]	36
Foreign Investment Concentrated in Service Sector [YONHAP]	37
Central Bank To Loan ESAF \$85 Million [YONHAP]	37
Kim Tae-chung, Kim Yong-sam Feud Gets 'Nasty' [THE KOREA HERALD 6 Apr]	37
Kim Chong-pil Criticizes PPD-RDP Feud [THE KOREA TIMES 6 Apr]	38
Daily Assesses Reshuffle of Key Army Posts [CHOSON ILBO 29 Mar]	38
Parties Send Teams To Ulsan on Hyundai Case [THE KOREA HERALD 6 Apr]	39
Political Parties Seek To Settle Hyundai Case [THE KOREA TIMES 6 Apr]	40
Police Discuss Military Option in Hyundai Strike [YONHAP]	41
Hallim University Suspends Classes Indefinitely [THE KOREA TIMES 5 Apr]	41
Businessman Sentenced in Northrop Case [THE KOREA HERALD 5 Apr]	41
DJP Seeks Coalition Over Local Elections [THE KOREA HERALD 6 Apr]	41
RDP Opposes Plan [THE KOREA HERALD 6 Apr]	42
DJP Wants Worker-Dissident Alliance Countered [THE KOREA TIMES 5 Apr]	42
* Finance Industry Restructuring Discussed [CHUNGANG ILBO 12 Jan]	43
Farmers Compensation Slated for Market Losses [THE KOREA HERALD 5 Apr]	44

SOUTHEAST ASIA

Burma

Aung San Suu Kyi Said 'Cautiously Optimistic' [Melbourne International]	45
Government Announces New Fishing Law [AFP]	45

Brunei, Malaysia & Singapore

Malaysia

Finance Minister Welcomes Brady Plan [BERNAMA]	45
--	----

Singapore

SRV Investments Contingent on Troop Pullout [THE STRAITS TIMES 5 Apr]	46
---	----

Cambodia

Further on Hun Sen 5 April News Conference [Phnom Penh Radio]	47
Party Cadres National Conference Opens [Phnom Penh Radio]	51
Socioeconomic Report Presented [SPK]	52
Conference Resumes Work [Phnom Penh Radio]	53
More People Settled in New Economic Zones [SPK]	53
Youths Said To Volunteer in Kompong Thom [Phnom Penh Radio]	53
More on Sihanouk Proposal To Meet Hun Sen [Paris LE MONDE 4 Apr]	54
Sihanouk Expresses Doubts About Pullout [Radio VOK]	54
Son Sann Issues Statement on Pullout Pledge [THE NATION 6 Apr]	55
Hun Sen Urged To Let People Make Decisions [Radio VOK]	55

Indonesia

Alatas on SRV Troop Withdrawal Announcement [BERNAMA]	56
Report on Suharto's Limited Cabinet Session [ANTARA]	56

Laos

News Conference on Joint Statment on Pullout [Vientiane Radio]	57
First Meeting on Mekong Bridge Construction Held [KPL]	58
Memorandum Signed [Vientiane Radio]	58
Soviet Nationalities Delegation Arrives for Visit [KPL]	58

North Korea

U.S. Said Planning To Keep Bases After 1991 [Manila Radio]	58
Base Workers Threaten to Strike if Talks Fail [PHILIPPINE DAILY INQUIRER 6 Apr]	59
Cabinet Committee Bars Marcos From Returning [Manila Radio]	59
Aquino Accepts Tourism Secretary's Resignation [Quezon City Radio]	59
Campaign Intensified for Insurgent Returnees [MANILA BULLETIN 5 Apr]	59
Senate Committee Recommends Amnesty for Renegades [Manila Radio]	60
Ramos Links Guerrillas to Rice Supply Misinformation [Quezon City Radio]	60
Agriculture Secretary Confirms Rice Importation [Quezon City Radio]	60
More Troops for Bulacan To Counter NPA Crime [Quezon City Radio]	60
Ramos Belittles MNLF New Offensive Capability [THE MANILA CHRONICLE 6 Apr]	60
Ramos Warns of Swift Response to MNLF Attacks [Manila Radio]	61
Ramos Assails Misuari Over Spy Charge [Manila Radio]	61

Thailand

Reaction to Vietnamese Troop Withdrawal Statement	61
SRV, PRK 'Key Concessions' Evaluated [THE NATION 5 Apr]	61
Chatchai Welcomes Announcement [BANGKOK POST 6 Apr]	62
Spokesmen Comment on Pledge [THE NATION 6 Apr]	62
Pullout Said Not 'Central Issue' [BANGKOK POST 6 Apr]	63
Paper Views Pullout Pledge [THE NATION 6 Apr]	63
Border Villages Hit by Artillery Fire From Cambodia [MATICHO 6 Apr]	64
Methods Used in U.S. 'Trade Disputes' Viewed [NAEO NA 4 Apr]	64
Singapore Softens Stand on Illegal Workers [BANGKOK POST 2 Apr]	64
Chawalit Defends Mid-Year Military Reshuffle [THE NATION 4 Apr]	65

Vietnam

Further on Announcement on Troop Withdrawal	65
Joint Statement on Troop Withdrawal [VNA]	65
Nguyen Co Thach Speaks on Pullout [VNA]	67
NHAN DAN Hails Pledge [Hanoi Radio]	68
Commentary on Joint Statement [Hanoi International]	69
Station Commentary Praises Decision [Hanoi International]	69
Troop Pullout Praised [Hanoi Radio]	70
Czechoslovak CP Leader Jakes Arrives [Prague CTK]	71
NHAN DAN Welcomes Visit [VNA]	71
Nguyen Van Linh, Jakes Talks Begin [Prague Radio]	72
Council of State Communique on Session [Hanoi Radio]	72
Thai Binh Holds District Party Congresses [Hanoi Radio]	72

AUSTRALASIA

Views on Regional Peacekeeping Force [Melbourne International]	73
--	----

Australia

Hawke Offers Peacekeeping Force for Cambodia [AFP]	73
--	----

Papua New Guinea

3 Killed as Bougainville Violence Continues [AFP]	73
---	----

Japan

Pressure Mounts for Cabinet Dissolution

OW0604104889 Tokyo KYODO in English 1038 GMT
6 Apr 89

[Text] Tokyo, April 6 KYODO—Prime Minister Noboru Takeshita appears likely being forced to dissolve the House of Representatives at an early date for a general election amid the widening Recruit stock trading and bribery scandal, many political sources said Thursday.

There may be a general election around June or another double election of both houses of the Diet in July-August, the first such electoral contest in three years, they said.

Opposition parties are stepping up their offensive, strongly urging the entire Takeshita cabinet to resign or to dissolve the powerful lower chamber for a general election.

There are voices for the cabinet resignation even within Takeshita's ruling Liberal Democratic Party, LDP sources said.

Both Takeshita and LDP Secretary General Shintaro Abe originally intended to call a single election only for the 252-seat House of Councillors this summer after putting an end to the scandal and carrying out a sweeping political reform.

However, the circumstances have changed as the Recruit scandal grew, the LDP sources said.

Takeshita has suffered a heavy blow from a fresh media disclosure that the information business giant Recruit Co. contributed 50 million yen to two fund-raising parties for him in May 1987, the sources said.

Diet business has been at a standstill since March 8 because of LDP's rejection of an opposition demand that former Prime Minister Yasuhiro Nakasone be summoned to testify about his suspected role in the Recruit scandal.

There is no other way for the LDP but to ram the 60.4 trillion yen national budget for fiscal 1989 if the parliamentary stalemate continues, the LDP sources said.

Many followers of former Finance Minister Kiichi Miyazawa, who heads the LDP's second largest power bloc, on Thursday called for complying with the opposition demand for a Nakasone testimony, faction sources said.

The former prime minister will never testify under oath, Nakasone aides said.

Nakasone is suspected of having close links with Recruit's founder Hiromasa Ezoe and of a role in the resale of two supercomputers by Nippon Telegraph and Telephone Corp. to Recruit.

Mass media disclosures have also hit Nakasone's closest aide, former Chief Cabinet Secretary Takao Fujinami, who received contributions of over 60 million yen from Recruit between 1986 and 1988.

Opposition To 'Overthrow' Cabinet

OW0604101489 Tokyo KYODO in English 0949 GMT
6 Apr 89

[Text:] Tokyo, April 6 KYODO—Leaders of four opposition parties will adopt and announce a joint resolution Friday to overthrow the cabinet of Prime Minister Noboru Takeshita, opposition sources said Thursday.

The opposition camp shares the perception that the Takeshita cabinet has lost public support because of the widening Recruit stock trading and bribery scandal and of the unpopular consumption tax which went into effect on April 1, the sources said.

The heads of the Japan Socialist Party (JSP), Komeito, Democratic Socialist Party (DSP) and the United Social Democratic Party (Shaminren) are to meet at the Kyoto International Conference Hall in the ancient capital Friday.

Takako Doi of the JSP, Junya Yano of Komeito, Eiichi Nagasue of the DSP and Shaminren's Satsuki Eda will meet for one and a half hours and renew their call for a dissolution of the House of Representatives for a general election.

They will hold a joint press conference in the evening.

The opposition parties believe that political corruption is rooted in the 34-year uninterrupted rule of the Liberal Democratic Party (LDP) since 1955, the sources said.

The four opposition leaders will formally agree to open policy talks with an eye on establishing an opposition coalition government to replace the Takeshita cabinet.

Themes for policy consultations will focus on such basic matters as national security, foreign policy and energy.

Differing from Komeito and the DSP, the largest opposition party JSP opposes Japan-United States security arrangements, Self-Defense Forces and atomic power plants.

Komeito and the DSP, the second and third largest opposition parties, also differ from the JSP over stand toward Korea peninsula. The JSP maintains friendly links with North Korea, while two others are closer to South Korea.

The Kyoto session will be the first opposition summit in two years and three months, since the one held in January 1987, when the opposition agreed to form a joint front against the 5 percent sales tax proposed by then Prime Minister Yasuhiro Nakasone.

The opposition was successful in killing that tax. But the Takeshita cabinet obtained Diet approval of the 3-percent consumption tax scheme last December because the opposition parties were divided on the matter, the sources said.

DSP's Nagasue first proposed holding the opposition summit in Kyoto, the place with which JSP's Doi, Komeito's Yano and Nagasue himself are closely associated.

Doi was a one-time lecturer at Doshisha University in Kyoto, Yano a graduate of Kyoto University, and Nagasue calls Kyoto his hometown.

Yano called on March 17 for establishing an opposition caretaker cabinet to supervise a general election, while Nagasue on March 29 proposed opening policy consultations between opposition parties and organized labor.

In response, Doi on Tuesday [4 April] announced a proposal of her own calling for establishment of a national roundtable of the opposition parties, citizens, women, farmers and business groups to pave the way for an opposition coalition.

Recruit Implicated in Takeshita Fund-Raising
OW0604075489 Tokyo KYODO in English 0709 GMT 6 Apr 89

[Text] Tokyo, April 6 KYODO—Prime Minister Noboru Takeshita's Deputy Chief of Staff Ichiro Ozawa on Thursday confirmed reports that information business giant Recruit Co. purchased 1,500 tickets for a total of 30 million yen for a fund-raising party for Takeshita on May 30, 1987.

Recruit is known to have donated 20 million yen to another fund-raising party for Takeshita nine days earlier.

Takeshita was at that time secretary general of the ruling Liberal Democratic Party (LDP). He became prime minister about five months later.

Deputy Chief cabinet Secretary Ozawa, meeting reporters at Takeshita's official residence, said, however, that the deal does not violate regulations on political funds.

Ozawa admitted that Recruit's purchases accounted for 60 percent of the total ticket sales for the May 30 party of around 50 million yen.

Ozawa said 20 million yen out of the total ticket sales was delivered to Takeshita's one-time secretary Ihei Aoki, to whom Recruit Co. sold 2,000 unlisted shares of its real estate subsidiary Recruit Cosmos Co. in the autumn of 1986.

Takeshita, asked for comment Thursday by reporters at his official residence, said Recruit's share was too big and that he has no idea why the money was delivered to Aoki.

Meanwhile, another fresh revelation of the Recruit group's political donations concerning former Prime Minister Yasuhiro Nakasone's closest aide, Takao Fujinami, was made Thursday.

The founder of Recruit Co., Hiromasa Ezoe, contributed 15 million yen and its subsidiary Recruit Cosmos 3 million yen to Fujinami in June 1988, investigative sources said.

Ezoe has been detained since February 13 on suspicion of bribery.

Fujinami, who served as Nakasone's chief cabinet secretary, was unavailable for comment.

Ezoe and Recruit Cosmos transferred the money to a bank account, opened under a fictitious name by a Fujinami secretary, on June 23, 1988 five days after the Recruit scandal was first reported, the sources said.

The new revelation brought to over 60 million yen the total amount of known contributions from Recruit to Fujinami.

Recruit was earlier reported to have sold 12,000 unlisted shares of Recruit Cosmos to a secretary to Fujinami in the autumn of 1986, enabling him to make 25 million yen in profits through the resale of the stock.

In addition, Fujinami received over 20 million yen in political contributions between 1986 and 1987.

The Democratic Socialist Party [DSP] said Thursday it is planning to end its boycott of the Diet in order to take up the widening Recruit scandal.

Yukihisa Yoshida, chairman of the DSP Diet Affairs Committee, said it is would be against the people's interest if the Diet did nothing in response to reports of Recruit's 50 million yen contributions to Takeshita's fund-raising parties.

The Japan Socialist Party [JSP], the largest opposition party, responded reluctantly to the DSP call, saying it is sticking to its demand for Nakasone to give testimony on the Recruit case in the Diet before it ends its boycott.

Shun Oide, chairman of the JSP Diet Affairs Committee, said there must be an agreement for Nakasone to be summoned before business is resumed in the House of Representatives Budget Committee.

Diet business has remained stalled almost completely since March 8, forcing the government to compile a 9.22 trillion yen stopgap budget for the first 50 days of fiscal 1989, which began on April 1.

The LDP has refused to accept the opposition demand that former Prime Minister Nakasone be summoned to the Diet to testify about his alleged links to the Recruit scandal.

The Recruit scandal was first exposed to the public on June 18, 1988, when the then deputy mayor of Kawasaki, Hideki Komatsu, was reported to have purchased 30,000 unlisted shares of Recruit Cosmos.

A Diet investigative committee released a list of 159 purchasers of the unlisted stock who would have been able to make huge profits through the resale of the shares.

Among them were 17 politicians and their relatives, two former vice ministers and three top officials of the Nippon Telegraph and Telephone Corp. (NTT).

The list included the names of secretaries or relatives of Takeshita, Nakasone, LDP Secretary General Shintaro Abe, LDP Policy Chief Michio Watanabe.

Public prosecutors began investigations in mid-February and have so far arrested 13 people, mostly on suspicion of bribery.

The scandal has claimed three victims from the Takeshita cabinet—Kiichi Miyazawa, Takashi Hasegawa and Ken Harada.

The Takeshita cabinet has lost public support sharply since early this year amid the mounting popular distrust in politics, according to mass media polls.

Opposition parties have called for the mass resignation of the cabinet or for a dissolution of the House of Representatives for a general election.

Diplomats, Businessmen Discuss U.S. Trade
OW0604052189 Tokyo KYODO in English 0203 GMT 6 Apr 89

[Text] New York, April 5 KYODO—Japanese diplomats and business representatives in the United States on Wednesday [5 April] agreed on the need to continue efforts to open the Japanese market further to foreign imports and take other measures to counter mounting U.S. criticisms of the bilateral trade gap.

The agreement was reached when the diplomats and business representatives held a regular trade conference here to discuss Japanese-U.S. trade problems. Officials of such Japanese Government agencies as the Foreign Ministry and the Agriculture, Forestry and Fisheries Ministry also took part in the meeting.

During the meeting, the participants expressed concern about the mounting U.S. criticisms of the present state of Japan-U.S. trade, now heavily in Japan's favor, according to the co-chairmen of the conference—Nobutoshi Akao, minister at the Japanese Embassy in Washington, and Hisao Kondo, president of Mitsui and Co. (U.S.A.) Inc. in New York.

Such criticisms are now intensifying in not only the U.S. Government, Congress and business world but also among some intellectuals, they said.

This apparently reflects the fact that the Americans' interest in Japan-U.S. trade has increased as a result of East-West detente, they added.

The participants in the trade conference agreed that there is no "quick remedy" to quell such criticisms and that Japan must continue its market-opening efforts and take other measures, such as promotion of economic cooperation in specific U.S. areas, they said.

SRV Seeks Help in Solving Cambodia Problem
OW0604112389 Tokyo KYODO in English 1047 GMT 6 Apr 89

[Text] Tokyo, April 6 KYODO—Vietnam strongly hopes for cooperation from the Japanese Government in achieving a peace settlement in Kampuchea in line with Wednesday's [5 April] joint declaration by Vietnam, the Heng Samrin government of Kampuchea and Laos, Vietnamese Ambassador to Tokyo Vo Van Sung said Thursday.

The declaration said Vietnam will withdraw all troops from Kampuchea by the end of September, indicating it will take unconditional action even if a political solution to the conflict has not been achieved by then.

It called on China and other countries to stop all assistance to Kampuchea and an interference in its internal affairs.

The ambassador, in a press briefing at the Vietnamese Embassy in Tokyo, said he asked the Japanese Government to support the declaration on Wednesday, at the same time it was announced in Hanoi.

Vo Van Sung said the Japanese Government has been stressing the two points of withdrawal of Vietnamese troops and prevention of resurgence to power of the Pol Pot faction in its stance toward the Kampuchean problem.

Wednesday's declaration is likely to gain Japan's support, he said.

The ambassador said Vietnam sincerely hopes China will cease military and economic aid to the tripartite resistance Coalition [Government] of Democratic Kampuchea, in compliance with Vietnamese withdrawal of its troops.

At the second Jakarta informal meeting (JIM) in February among Kampuchea's four warring factions and other concerned parties, it was agreed that the complete withdrawal of Vietnamese troops and the halt of all foreign assistance and interference were prerequisites to a peace settlement.

However, the ambassador said Vietnam will withdraw all of its remaining 50,000 soldiers by the end of September, even if an internal settlement is not reached by then, he said.

Since China has said it will normalize ties with Vietnam if the Vietnamese troops are withdrawn from Kampuchea, Vietnam is hoping it will fulfill that promise, the ambassador said.

In order for the normalization of bilateral ties, an unofficial vice ministerial-level meeting was held in Beijing in January to discuss problems between the two countries. Preparations are being made for the second round of talks to be held in Beijing, which has yet to be scheduled, he said.

Now that Vietnamese troops will be withdrawn, the main concern in reaching a peace settlement is stopping the resurgence of the Pol Pot faction, the ambassador said.

"We appeal to the international community to stop Pol Pot and assure peace for the Kampuchean people," he said.

Rev Mun Explains Trip to North Korea

OW0504155689 Tokyo KYODO in English 1436 GMT 5 Apr 89

[Text] Tokyo, April 5 KYODO—South Korean dissident leader Rev. Mun Ik-hwan said Wednesday his recent unauthorized visit to Pyongyang was not intended to upstage the South Korean Government's role as the sole negotiator in the inter-Korean dialogue for reunification.

Following a nearly two-hour press conference held a few hours after his arrival here, Mun criticized the government of President No Tae-u for characterizing his trip that way, and called for broad participation and cooperation by the government, the National Assembly and the public to promote a dialogue between the two Koreas.

The 70-year-old clergyman said he believed all three parties could speak for each other if a negotiation by one side should fail. For this reason, he said, he thinks he has paved a way for public talks.

Mun said he was very surprised to see extensive news coverage of his visit. He said he considered promotion of active public discussion of reunification to be one of the achievements of his Pyongyang visit.

He also said his visit elevated the issue of reunification to an international level and hoped Japan's awareness will be raised of its stakes in the reunification process.

Mun, whose passport expires on April 14, said he plans to return to Seoul early next week. Authorities have said they will arrest him on charges of breaching national security laws that ban personal contacts with North Korea without official permission.

He said he does not fear another arrest, but he said he hoped he will not be detained this time. Mun said he went to North Korea to encourage public discussions of reunification, and did not wish his purpose to be damaged by his arrest.

Mun said there are vast differences between the two Koreas regarding the Pyongyang-proposed concept of a Koryo confederated state as a possible system for reunification.

Mun proposed a state comprising many autonomous bodies based on provinces throughout the Korean peninsula, because to have a variety of governing bodies was the most basic factor of democracy, he said.

Kim Il-song was calling for the formation of a confederated state based on two regional autonomous bodies, meaning one in the North and the other in the South.

Mun believed Kim understands that the north needs to modify its policies to ensure freedom while the South must strive to realize equality for everyone. Mun said he did not directly tell Kim about the necessity of readjustment in the North.

The time when the two sides succeed in their respective modifications is the time for achieving reunification because securing freedom and equality were the main concerns of the reunification movements, Mun said.

Both Mun and Kim agreed that the 40-year history of separation was a "shame" and that national reunification should be achieved before the separation enters its 50th year.

A Korean journalist speculated that Mun may have chosen this time to go to North Korea in order to boost his political image among dissidents in his homeland.

Mun's popularity has declined since he expressed support for the No 1 opposition party, the Party for Peace and Democracy, during the presidential election in 1987 while dissident groups sought to remain politically neutral, said a second Korean reporter.

Mun now serves as an adviser to the dissident group, the National Alliance of the Movement for the Nation and Democracy.

Tanabe Discusses Detained Seamen in Beijing
OW0604064189 Tokyo KYODO in English 0212 GMT 6 Apr 89

[Text] Beijing, April 6 KYODO—Two Japanese seamen detained in North Korea since 1983 are in good health and are receiving special care to ensure their well-being, Japanese politician Makoto Tanabe said after arriving in Beijing on Wednesday [5 April], quoting officials of the ruling Korean Workers' Party.

Tanabe, a former Japan Socialist Party (JSP) secretary general, said at a press conference that North Korean officials also confirmed that letters sent by the families of the two men have reached them.

But, although the North Koreans responded to Tanabe's inquiries about the health of Isamu Beniko, captain of the Fujisan Maru No 18, and Yoshio Kurihara, the chief engineer, his requests for a meeting with the two men were turned down. The two men have been sentenced to prison terms for alleged espionage. They were arrested when their ship called at North Korea after a North Korean soldier stowed away to Japan aboard the ship on a previous trip.

Tanabe said the Koreans insisted that the issue of the release of the two men could not be resolved at inter-party level, and that he emphasized to them the need to settle it from a humanitarian viewpoint.

Tanabe led a JSP delegation to Pyongyang from March 31 to April 5 for talks over resuming intergovernmental relations between the two nations, which have no diplomatic relations.

He said an early visit by a Korean Workers' Party delegation to Tokyo and a visit by a delegation of Japan's ruling Liberal Democratic Party (LDP) to Pyongyang could pave the way for a solution to the problem.

On Monday [3 April], North Korean party Politburo member Ho Tam hinted that a visit by an LDP delegation was possible in September, but did not specify the date for the visit proposed by Japan of a high-level North Korean delegation to Tokyo.

JCP Shuns Chinese, Soviet Approach to Peace
OW0504133889 Tokyo KYODO in English 0858 GMT 5 Apr 89

[Text] Tokyo, April 5 KYODO—The Japan Communist Party (JCP) criticized China and the Soviet Union on Wednesday for putting national interests ahead of workers' interests in their approach to international peace, labor and youth movements.

The JCP, which has long taken an independent line of interpreting communist orthodoxy, issued a party position paper saying that China's leadership follows pro-U.S. policies and admires Japan's reactionary regime.

The Soviet leadership, by advocating dialogue and conciliation, has put a new priority on cooperation and negotiations with imperialist forces and curbs people's struggles, the document said.

These mistaken policies in China and the Soviet Union are rooted in the principle of promoting national interests first, it said.

The fourth largest opposition party urged both Beijing and Moscow not to block people in capitalist states from pushing their struggles for social progress.

Joint Advertising Venture With PRC Planned
OW0504200689 Tokyo KYODO in English 1325 GMT 5 Apr 89

[Text] Tokyo, April 5 KYODO—Asahi Tsushin advertising agency Wednesday [4 April] signed an agreement to form a TV advertising firm in Tokyo next month jointly with China Television International Service Corp., the first such joint venture between the two nations.

To be capitalized at 50 million yen, China Television Co. will be 51 percent owned by Asahi, a major Japanese ad agency based in Tokyo, and 49 percent by the Chinese partner based in Beijing, it said.

Company officials said the venture is aimed at exploring ad needs of Japanese firms operating in China, which account for some 50 percent of the Chinese TV ad market for foreign firms.

Among additional services, the new company aims at swapping TV programs and movies in both nations and offering consulting services to Japanese TV crews hoping to cover China, they said. Initial annual sales are targeted at 500 million yen.

The Chinese ad market was estimated at 29 billion yen in fiscal 1986, of which 6 percent was for foreign firms, Asahi said.

Other leading Japanese ad firms such as Dentsu Inc. and Hakuhodo Inc. have representative offices in Beijing.

Loans to Third World Increase by 58 Percent

*OW0504201489 Tokyo KYODO in English 1131 GMT
5 Apr 89*

[Text] Tokyo, April 5 KYODO—Japan provided developing nations with official loans totaling 1,114.5 billion yen in Fiscal 1988, a 58.4 percent increase over the previous year, the Foreign Ministry said Wednesday.

It is the first time that such low-interest loans, also known as yen credits, have topped 1 trillion yen.

Ministry officials ascribed the sharp increase chiefly to Japan's efforts to increase official development assistance (ODA) to Third World nations as seen in the mid-term ODA plan covering fiscal 1988 to 1992 during which 50 billion yen is set aside for ODA, double the amount spent in the previous five years.

They also cited falling interest rates and stability in the yen-dollar rate that came after a long stretch of the high yen as another factor boosting yen credits.

The fiscal 1988 figures, tallied on the basis of diplomatic notes exchanged during the year ended March 31, include 197.6 billion yen loaned to Indonesia and 70 billion yen to China as part of Japan's efforts to recycle its massive trade surplus to the Third World.

Also included in the figures was 36.8 billion yen lent to Malaysia from a fund set up for the development of members of the Association of Southeast Asian Nations (ASEAN).

By region, Asia topped the list of recipients, but its share dropped to 83.0 percent from 89.2 percent the previous year.

Africa came second, receiving 8.6 percent of the total, up from 4.1 percent, followed by the Middle East with 4.9 percent, up from 4.1 percent, and Latin America with 2.4 percent, up from 1.0 percent.

By type of lending, project-oriented loans shrank steeply, representing 56.4 percent of the total, compared with 72.1 percent in fiscal 1987.

By contrast, free-purpose loans, including those provided in collaboration with international lending agencies such as the World Bank, grew swiftly, accounting for 38.9 percent, up from 27.0 percent.

Loans during the just-ended fiscal year carried an average interest rate of 2.70 percent per annum, down 0.16 percentage point from 2.86 percent the previous year.

As for funds offered for procurements of goods, 77.4 percent were so-called untied loans, up from 61.6 percent.

Untied loans are lendings that are not tied to purchases from Japanese firms.

Mongolia

Lack of 'Culture Consumption' Viewed

*OW0404133489 Ulaanbaatar International Service
in English 0910 GMT 3 Apr 89*

[Text] As a result of badly developed culture consumption our country loses constant food resources, said the daily UNEN in its editorial.

Last year alone, about 5 tonnes of food waste were thrown away in the food catering service. For instance, the consumption of alcohol and tobacco exceeds the permitted level. In 1988, 14 percent of the crimes committed in that country were committed by drunk persons. This shows that the (?formation) of the culture consumption needs special attention. To great extent, it depends on the education and the state of the economy, says the article.

Sodnom Meets Heads of Trade, Catering Groups

*OW0604074989 Ulaanbaatar International Service
in English 0910 GMT 5 Apr 89*

[Text] Mongolian Prime Minister Sodnom met with the directors of trading and public food catering enterprises in Mongolia and he discussed with them the problems of enhancing the quality of service in keeping within the new economic mechanism. Addressing them, Prime Minister Sodnom noted the importance of raising the culture of service and economic effectiveness. He stressed the need of producing more high quality consumer goods by making better use of the resources available.

Commentary Outlines Relations With DPRK

*OW0604044689 Ulaanbaatar International Service
in English 0910 GMT 4 Apr 89*

[Station commentary]

[Text] Diplomatic relations between Mongolia and the Democratic People's Republic of Korea were established in 1948 and since then, friendly relations between our two countries have been developing successfully.

Mongolia has always supported and rendered material aid to the Democratic People's Republic of Korea during its anti-imperialist struggle in 1951-1953 and during the period of reconstructing. For instance, between 1951 and 1957 a considerable amount of cattle, food products, warm clothes, have been granted to the Korean people. From 1952 till 1959, more than 200 Korean orphans—victims of the Korean war—found a refuge in Mongolia. That assistance has been highly appreciated by President Kim Il-song as a manifestation of the deepest respect for the Korean people and solidarity.

Every year various measures are undertaken in Mongolia within the framework of the declared Mongolian-Korean friendship, to express solidarity with the Korean people in their struggle for the reunification of their country on democratic bases.

The Mongolian People's Republic supports the efforts of the Democratic People's Republic of Korea aimed at (?creating) a nonnuclear zone and reducing armaments on the Korean peninsula and its initiatives on holding talks between the North and South Korea.

Relations between Mongolian and Democratic Korea are successfully developing in different fields: in politics, economy, trade, science and technology. The signing of the treaty of friendship and cooperation between Mongolia and the Democratic People's Republic of Korea during the visit of President Baiminh to the Democratic People's Republic of Korea in 1986 put an important input on the further development of bilateral relations. The visit of the Korean President Kim Il-sung to our country in 1987 was of great importance too. It had raised the relations between the two countries to a new level.

Besides the treaty of friendship and cooperation the Mongolian-Korean relations are based on numerous legal documents. The relations between the public organizations and federations for peace of [word indistinct] countries are becoming regular. The trade relations are developing on a long term basis. Our country imports from the Democratic People's Republic of Korea rice, [word indistinct], consumer goods, sport items, etc. and exports pure wool, aluminum, wheat. Mutual exchange of specialists, technical documentation and of catalogues is a part of wide cooperation in science and technology. Specialists believe that there are still more prospects for expanding the cooperation in this field.

Mongolian-Korean cooperation in culture is also developing successfully. The guest performances of artists of both countries and culture festivals have become regular. Mutual visits by citizens are becoming regular too. Relations between the foreign ministries of the two countries are developing on the basis of the cooperation plan provided for extensive use on different aspects of international situation.

Soon, Mongolian Foreign Minister Gombosuren will visit the Democratic People's Republic of Korea. This visit is expected to further promote friendly relations between Mongolia and the Democratic People's Republic of Korea.

North Korea

Rev Mun Holds News Conference on Return Trip

Speaks in Beijing

SK0504111389 Pyongyang KCNA in English
1036 GMT 5 Apr 89

[Text] Beijing April 4 (KCNA)—Rev. Mun Ik-hwan, advisor to th "National Alliance of the Movement for the

Nation and Democracy" ("Chonminnyon") of South Korea, had a press conference at the International Club in Beijing on April 4.

The press conference was attended by Chinese reporters and correspondents of different countries.

Rev. Mun Ik-hwan spoke at the press conference.

He told what he felt during his visit to the northern half of Korea as follows:

I felt the pang of the tragedy of the nation that I could not go to Pyongyang from Seoul through Panmunjom and could not go back to Seoul from Pyongyang through it.

But my mind was truly calm on my way to Pyongyang via Beijing from Seoul and when I arrived at Pyongyang Airport.

My feeling was little different from the time when I was aboard planes for Pusan or Kwangju from Seoul. What I have realised while thinking why my mind was not stirred but was calm was that I was going where I should go and got off the plane where I should set foot and I felt there was nothing exciting for me to leave Seoul or go back to Seoul from Pyongyang.

When I was leaving Pyongyang I felt calm, thinking that I was departing after doing what I had to do.

I have one thing to say as to warm feelings which underlie what is serene.

It was love for my nation and conviction of its bright future and the conviction that reunification is the unanimous desire of the 70 million fellow countrymen in the land from Mt. Paektu to Mt. Hanna and living overseas.

But I can hardly understand why some people are so astonished and angry at my Pyongyang trip.

The North is only part of the national community which shares weal and woe, happiness and prosperity with us in the South and it is desirable that as many persons as possible whether at home or abroad, should take an active part in North-South exchange to consolidate the framework of this community. This had been my long-cherished belief.

Saying that when No Tae-u in his "July 7 declaration" called the North a "companion," he thought "now it would be all right to go to the North," Rev. Mun went on:

As to my visit to the North there arose a storm of arguments for and against it. Many persons, therefore, worried about it. When I phoned to my wife in Seoul last evening, she told me to come back with a peace of mind, saying there is nothing to worry about. I don't know what will happen back in Seoul. But it is not a big problem. I feel it good luck that, as I have been to the North, the

North-South question, in other words, the question of national reunification, has become a matter of deep concern for all the people and it marked an occasion for all of them to debate reunification.

It is true that my visit to the North, unexpectedly, came as an awful shock to the "government" of the South.

I believe, however, that when it recovers its reason, with this shock gone, it will understand why I visited the North and what it does mean.

I could reach a broad-range agreement through exchange and dialogue with the North on the civilian-level. I am immensely happy, thinking this to be a success beyond what I had expected, he said, and continued:

It was thanks to the ardent desire of us fellow countrymen to set up one national community and reunify the country into one, transcending differences in ideology, ideal and social system that a broad-range agreement could be reached including the publication of a joint statement.

I keenly felt the love of the nation while meeting leadership-level people and many of my relatives in the North and felt how important it is to be one nation.

I am talking about the nation with the notion that a reunified nation, the fellow countrymen merged into one, is an indispensable basis for peace and prosperity of Asia and, furthermore, for global peace and prosperity.

The situation in which one nation is divided into two to stand opposed to and in confrontation against each other is, indeed, a threat to world peace, and it must be a matter of concern for the whole world, I dare say.

I think it an untold disgrace for the whole nation that the nearly 50 year long division has not yet been brought to an end and reunification has not been achieved and hope that the people in the North and the South will promise to make maximum efforts to overcome this and achieve reunification and call upon the whole world to create an atmosphere in favor of this with deep concern, not regarding this as a thing of others.

Then Rev. Mun Ik-hwan answered questions put by reporters.

Answering a question how he thought about his possible arrest back in South Korea, Rev. Mun said:

Through my phone contact with my home yesterday I learned that my three sons are now under arrest.

I hope that the "government" will recover from the shock quickly and regain its reason, understand my sincere wish to resolve the problems between the North and the South and lend an ear to the desire of the people and thus take the road of national reunification with us.

I am not afraid of being thrown into prison. But I do not want to go to prison this time. Because my efforts in my trip to resolve the problems of dialogue and exchange between the North and the South will end without success for the present, if I am arrested again.

If they arrest me, obstinately enough, I will exploit it as an occasion for resolving deadlocked dialogue with the "government."

Answering a question about the purpose of his visit to the North and his impressions, he said:

In short, I had thought that I should tear down the barrier of division by visiting the North any time, because, first of all, I felt the 40 odd year long division was a disgrace to the nation and had the clear notion that reunification is the most urgent national-historic task and that, when this problem is settled, all other problems of our nation can be solved.

As this is not only my view but a unanimous view of my comrades in the South, I were often advised by my comrades to visit the North.

Though, as if it were the necessity of history, I were writing the poem "I Will Go to Pyongyang Within This Year" at 11 on the night of December 31, 1988, and finished it 00:30 on the first day of the new year.

And that very day President Kim Il-song extended me an invitation.

This is the background and the course of my trip.

Words fail to fully describe my excitement when President Kim Il-song and me hugged each other. That moment I thought that I could really start the work for getting rid of the disgrace of the nation that lasted for more than four decades and open the road of reunification, and I must do my utmost for it.

I told reporters upon my arrival there that I came there not to have dialogue in words but to have a heart-to-heart and eye-to-eye dialogue.

Noting that there is a turmoil of arguments of approval and disapproval in the South about his Pyongyang trip this time, he said the "government" is erroneously taking this for a confusion in the theory of reunification. The "government" of the South has, in fact, not yet put forward a theory of reunification to speak of, while the North has advanced the proposal for founding the democratic confederal republic of Koryo, he noted.

The confederal system is the only and the most realistic way for the differing two systems to make one country.

He said that while contacting the North side this time and seeing various actual conditions and system of the North, he came back with added conviction that the confederal system is, in actuality, an inevitable program of reunification.

Giving his impressions of his meeting with his relatives after a long separation during his visit to the northern half of Korea, he said:

I met in Pyongyang this time 18 relatives from whom I had been separated for a long time. I think, it was quite useful because I could talk with them about how they were faring. At that reunion, I could feel in every fibre of my being how the North and the South have changed in more than 40 years.

Their only earnest desire was to become one with the fellow countrymen in the South by being reunited with them and earnestly asked me to work to achieve it. And they welcomed me really warmly as I made a difficult trip to Pyongyang to achieve reunification.

Answers Questions in Tokyo

SK0604083389 *Pyongyang KCNA in English*
0806 GMT 6 Apr 89

[Text] Pyongyang April 6 (KCNA)—Rev. Mun Ik-hwan, advisor to the National Alliance of the Movement for the Nation and Democracy (Chonminnyon) of South Korea, called a press conference Wednesday evening at the Japanese Christian Hall in Tokyo, according to a KNS report from Tokyo.

Chong Kyong-mo, a Korean analyst in Japan, was present at the press conference together with Rev. Mun.

It was attended by South Korean and Japanese newspaper, news agency and radio reporters and reporters of the General Association of Korean Residents in Japan (Chongnyon).

Speaking first at the press conference, Rev. Mun said:

I have not even dreamed that I could plunge myself into the midst of a tremendous upheaval and swirl.

I think this tremendous upheaval that came in the end is an unexpected success.

If the reunification problem became thus the whole nation's concern, everyone was allowed to speak about it and it became a problem for the whole nation, not for the "government" or some personages alone, it would be a good luck and an unexpected success, I believe.

It is, indeed, a tremendous success, I think, that the reunification problem not only has become a public concern, a question involving all the people, a question

of jointly participating in the discourse on it, but also has been brought into relief as a global concern with my meeting with reporters in Beijing yesterday and here in Japan today.

Rev. Mun answered questions put by reporters.

He referred to the fact that when he was received by President Kim Il-song he had a sincere and open-hearted conversation with him over the question of accelerating national reunification.

Asked "what difference is there between the proposal for confederation of Koryo raised by the North and his proposal for confederation," he said:

As regards the question as to what difference is there between the North's proposal for Confederation of Koryo and my proposal for confederation, I don't think it is an approach to reunification to find difference so often.

A genuine approach to reunification is to find commonness first, although there may be differences.

Hence, I would like to talk first about commonness instead of differences.

I became all the more convinced through my visit this time that it is impossible for the two systems to become one system because they have covered different paths for nearly 50 years, and reunification is far off so long as we wait for it.

I believe that to achieve reunification while recognizing each other's differences is the only way of reunification.

I agree with the North in this context.

Next, confederation means a local self-autonomy, the basic to democracy and, hence, I think it is in accord with democratic principles.

I share views with the North in this respect, too.

Referring to correlations between the movement for democracy and that for reunification, he said:

The movement for democracy is carried on as part of the movement for reunification.

However, it is sometimes the other way around.

When President Kim Il-song asked me if "I believed that democracy is immediately reunification and that is democracy," I told him so.

The president said that is not all, but the movement for democracy is immediately the movement for the nation and independence and the movement for the nation and

independence is immediately the movement for reunification and so, it is necessary to develop the movement oriented toward democracy, the nation, independence and reunification.

So I told him that I completely agreed to his view.

Answering a question as to what is the greatest success he gained through his visit, Rev. Mun said:

My visit was aimed at resolving the North-South problems and promoting and developing smoothly all the debate, dialogue and exchange between the authorities, parliaments and others.

They misunderstand things as if civilians intended to monopolize all issues after elbowing away the "government." This is what matters, I think.

It goes without saying that non-governmental exchange is very important. But that is not all.

We know well how important parliamentary exchange is, but that does not mean all either, and so does the dialogue and exchange between the governments.

This compels me to think that problems which cannot be resolved in the exchange between the governments should be done in the exchange between the parliaments and, if they are not resolved even there, they should be settled in a civilian-level exchange, and thus all should become one and resolve the remaining problems.

If the "government" truly wanted reunification, it should have already sent people like me to Pyongyang.

Asked with whom he had dialogue in the North, he said:

I have met not a great many people.

But I could feel the ardent desire for reunification everywhere I went.

Also I was fortunate enough to meet and have many hours of talks with 18 relatives of mine.

With no officials present on the occasion, I could confirm the desire for reunification at that time.

Asked when he intends to go back to South Korea and what he thinks as to the threat that he shall be detained, back home Rev. Mun said:

Allow me to consider a little more when I will go back home, but it may be early next week.

It's a long time since my last visit to Japan, and I want to meet my friends, and the movement in the homeland is being carried on by the younger generation. What I can do myself is external activities either in the North or other areas.

They say I shall be arrested when back home. In fact, I am not much afraid of being arrested.

However, I want not to be arrested this time alone.

I have intended to resolve the North-South relations, and if I am arrested, it means that I would be kept from carrying my intention into effect.

Mun Ik-hwan Sends Notes to Japanese Paper
SK0604080989 Pyongyang KCNA in English
0801 GMT 6 Apr 89

[Text] Pyongyang April 6 (KCNA)—Rev. Mun Ik-hwan on April 4 sent the following notes to the Beijing branch office of the Japanese newspaper MAINICHI SHIMBUN, according to a KNS report from Tokyo quoting the newspaper April 5:

I cannot understand why they are "so surprised" and "angry" at my visit to Pyongyang.

The North is a member of the national community which should share weal and woe, happiness and prosperity with us in the South, and it is desirable to participate in North-South exchange as briskly as possible both at home and abroad in order to consolidate the foundation of this community. This is, indeed, the content of the "July 7 declaration" of No Tae-u himself.

I can hardly understand what logic the charge that my visit was in contravention of the ruler's will is based on.

I have been accustomed to living in a prison cell for 20 years as if it were the back room of my home, and I am not afraid at all to be locked up in "the backroom of my home" again.

I have just cudged my brains thinking in good faith what is the right path for the nation to follow, and I am no more than a country man.

The moment I set foot in Pyongyang I could not help feeling right through the warm eyes of the forty million people in the South turned on my back just for the very reason that I am a country man without something like power.

It is the view of the minister of the unification board that "the conception of the nation is above that of the state."

"It is so, indeed," I thought once.

If the nation was placed above the state, why would one "regime" allow itself to go against the great cause of the nation for the sake of its maintenance?

Paper Decries South Treatment of Rev Mun
SK0604092389 Pyongyang KCNA in English
0906 GMT 6 Apr 89

["Is It Crime To Meet With Fellow Countrymen?"—
KCNA headline]

[Text] Pyongyang April 6 (KCNA)—The No Tae-u group should know clearly what consequences will its foolish scheme to arrest and punish Rev. Mun Ik-hwan bring on its lot, and act with discretion, warns NODONG SINMUN today.

The news analyst says:

The No Tae-u group threatened that it would punish Rev. Mun by invoking the "National Security Law," clamouring about "escape" or "smuggling". This is an anachronistic fascist logic; it is a far-fetched assertion which can be made only by the traitors.

As Rev. Mun Ik-hwan has already stated, his Pyongyang visit this time was aimed at deepening trust between the people in the North and the South, jointly seeking a reasonable way of reunification and promoting peace in the country and her peaceful reunification.

His Pyongyang visit was a righteous act and there is no problem at all.

Rev. Mun received our letter of invitation and publicly visited Pyongyang. The South Korean authorities directly conveyed our letter of invitation to him. He publicly left Seoul going through legal formalities, opened his activities in Pyongyang to the public and left Pyongyang for Seoul publicly.

If it is a crime for him to have visited Pyongyang and discussed the reunification problem, No Tae-u who called for a visit to Pyongyang and opened the road of travel to the North should first of all be summoned to the court.

But they claim that only Rev. Mun's Pyongyang visit is "a violation of the National Security Law." This is an unreasonable assertion of the dictators in power.

The No Tae-u group's scheme to unreasonably punish Rev. Mun Ik-hwan who visited Pyongyang is an anti-national, anti-reunification criminal act to deliberately aggravate North-South relations and lay a new obstacle in the way of peaceful reunification and a base move to cope with the crisis of rule by the anti-communist fascist offensive.

Various People From South Defect to North
SK0504153689 Pyongyang KCNA in English
1511 GMT 5 Apr 89

[Text] Pyongyang April 5 (KCNA)—Among those who came over to the northern half of the republic from South Korea were scores of recipients of titles of Hero of the Republic and Labour Hero and more than 100 recipients of honorary titles, academic degrees and titles.

A large number of South Korean people of all strata—"national assemblymen," businessmen, traders, soldiers, religionists, artists and others—have come over to the northern half of the Republic over the past 40 odd years up to date from right after the liberation of the country, during the war and the post-war period. At present, they are enjoying a worthwhile life as the masters of the country and power.

They are devoting all their wisdom and energy to the work for the country and people. No knowing worry about food, clothing and housing they are exercising legitimate rights as the masters of power. On this road, they have been honored with a high state decoration.

Pyo Mu-won, former commander of a battalion of the South Korean puppet Army who came over to the northern half of the republic in May 1946 leading his battalion, and Chon Kyong-hwan, former private of the South Korean puppet Army who defected from South Korea to the North in June 1950, were awarded the title of the Hero of the Republic each for their brilliant feats at the post of national defence.

Yi Sung-ki who came over to the northern half of the republic during the fatherland liberation war has made a remarkable contribution to solving the problem of clothing for the people by succeeding in the research into vinalon, the chuche fabric. In this course he has been awarded the Kim Il-song prize and become a laureate to people's prize, people's scientist, academician, professor and doctor. Pak Si-hyong, to Sang Nok and Yi Chae-kon who crossed the 38th Parallel to the northern half of the republic have also received the letters of commendation of the respected leader President Kim Il-song, the order of Kim Il-song and the title of people's scientist for the contributions they have made to the education of the rising generation and scientific research at Kim Il-song University for over 40 years, realising their hope and bringing their talent to full bloom. They are now academicians, professors and doctors.

Composer Yi Myon-sang has composed more than 700 songs including the songs "May of Victory" and "To the Decisive Battle" since he came to the embrace of the Republic.

He is not only a recipient of the Kim Il-song prize, a laureate of people's prize and a people's artist but also was elected to the Supreme People's Assembly and a member of the Central Committee of the Workers' Party of Korea.

Actress Mun Ye-pong who defected from South Korea together with her family has become a merited and then a people's actress by appearing in 100 odd films since she starred in the feature film "My Native Place."

Chongnyon Supports Parties, Groups Statement
SK0104110089 Pyongyang KCNA in English
1038 GMT 1 Apr 89

[Text] Pyongyang April 1 (KCNA)—The Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), in its statement March 30, says it hails and fully supports the joint statement of the political parties and organisations in the northern half of Korea, regarding it as a reflection of the earnest desire of all the fellow countrymen for reunification and their patriotic will to achieve independent and peaceful reunification at the earliest date possible by the united efforts of the nation, according to a KNS report from Tokyo.

All the Korean people, whether at home or overseas, as the subject of reunification, have the right to have contact and dialogue with each other over the reunification question, the statement says, adding: It is an ideal way of promoting national unity and reunification to develop multi-faceted civilian-level dialogue between people of all strata in the North and the South and overseas.

Solemnly vowing to make all sincere efforts for a wide-range civilian-level dialogue, the statement continues:

In hearty response to the words of the great leader Marshal Kim Il-song when he received Rev. Mun Ik-hwan, we will turn out as one man in the noble cause of the independent and peaceful reunification of the country, letting those with money give money, letting those with strength give strength, and letting those with knowledge give knowledge.

We strongly demand that the South Korean authorities repeal such evil laws as the "National Security Law," promptly stop blocking the efforts of the South Korean people and organisations of all quarters to have contact and dialogue with the fellow countrymen of the North, and sincerely approach the proposals for three-way talks and North-South high-level political and military talks made by the DPRK.

We believe that the Japanese people of broad strata who love peace and the honest-minded people worldwide will extend greater encouragement and support to the righteous struggle of the Korean people for peace in Korea and her peaceful reunification.

U.S. Accused of 'Reckless Play With Fire'
SK0504103189 Pyongyang KCNA in English
1021 GMT 5 Apr 89

[Text] Pyongyang April 5 (KCNA)—The U.S. imperialists must give up nuclear war moves in Korea and withdraw all their nuclear weapons and aggression forces from South Korea at once.

NODONG SINMUN today says this in a signed article headlined "Reckless Play With Fire May Spread Into a Nuclear War."

Noting that the U.S. imperialists are making all preparations to provoke a nuclear war in area, the article goes on:

The U.S. imperialists have deployed over 1,000 pieces of nuclear weapons in South Korea. This is a quadruple that of NATO in the density of deployment and means a nuclear weapon per 100 square kilometres. The U.S. imperialists have deployed almost all types of nuclear weapons in South Korea, the weapons they have developed and produced.

They have deployed many nuclear weapons and means of nuclear delivery in Japan, Okinawa, Guam and the Philippines and other areas around the Korean peninsula. These are for provoking a nuclear war in Korea.

The U.S. imperialist war maniacs are constantly staging nuclear war exercises. The "Team Spirit" joint military exercises are the largest nuclear war rehearsal which has been staged by the U.S. imperialists.

In fact, they have made all preparations for provoking a nuclear war in Korea and are now watching for a chance. Under such conditions, if any stupid man among the aggression forces who are taking part in the "Team Spirit 89" joint military maneuvers does a play with fire, it may become a fuse of a nuclear war.

If a nuclear war breaks out in Korea, it would go beyond the boundary of the Korean peninsula.

To check and frustrate the U.S. imperialists' scheme to ignite nuclear war in Korea is a very serious problem related to the destiny of mankind.

Japan's Policy on Military Exercises Criticized
SK0604103589 Pyongyang KCNA in English
0825 GMT 6 Apr 89

[Text] Pyongyang April 6 (KCNA)—Military brasshats of the Japanese Ground "Self-Defence Force" [SDF] now talk volubly about an artillery cannonading exercise abroad, according to a report.

They give the reason with the allegation that although a cannonading exercise has been staged at home up until now, it is impossible to do so in the densely populated territory of Japan at present as its artillery is sophisticated and has a long range of fire.

The "SDF" is today putting spurs on the improvement of combat equipment such as arming itself with cruise and other missile system and sophisticated guns capable of hitting far-off targets.

It is not hard to gather for what do the Japanese "SDF" need such sophisticated guns and missiles whose range of fire is so long that they cannot stage a cannonading exercise at home.

It is obviously a dangerous move for troop dispatch overseas.

It is nobody's secret that the Japanese militarists who have rushed headlong along the road of building a military power with the ambition to realize the old dream of being "a leader of East Asia," worked out "operation" plans for troop dispatch overseas and are watching for a chance of aggression, with a glib talk about "international role" commensurate with their "national strength" and about "worldwide responsibility".

Their bellicose argument for an artillery cannonading exercise even abroad vividly reflects the invariable aggressive design of the Japanese militarists; it is an attempt to put their long-prepared "operations" for overseas aggression to the test in an atmosphere of actual war on the spot.

Not only the Korean people but also other Asian people are watching the dangerous moves of the Japanese reactionaries with heightened vigilance.

JSP Delegation Wraps Up Visit 5 April

WPK Willing To Receive LDP Group

OW0404194489 Tokyo KYODO in English 1231 GMT 4 Apr 89

[Text] Pyongyang, April 4 KYODO—North Korea's Workers' Party is ready to welcome a parliamentary delegation from Japan's ruling Liberal Democratic Party (LDP) in September at the earliest, Makoto Tanabe, former secretary general of the Japan Socialist Party said Tuesday.

Tanabe made the remark before leaving Pyongyang Wednesday after completing a week-long visit to North Korea. He also told accompanying reporters that he had achieved positive results in the visit that would help expand bilateral relations.

He said he hoped the delegation's visit will lead to direct contact and discussions between the two governments, which at present have no diplomatic ties.

Tanabe also said that North Korea was willing to reopen intergovernmental discussions on the problem of two Japanese seamen under detention in North Korea since 1983 on spy charges in retaliation for helping a former North Korean soldier escape to Japan.

The North Korean side put forth conditions for the release of the two seamen, including not sending the stowaway North Korean soldier to South Korea, and making sure that he is not abducted as in the case of Kim Tae-chung in 1983.

Tanabe said North Korean Leader Kim Il-song's comment that some Japanese authorities were making positive statements, referring to Takeshita's recent speech on improving relations with North Korea, was a sign that bilateral relations were indeed improving.

Delegation Leaves Pyongyang

SK0504155489 Pyongyang KCNA in English 1531 GMT 5 Apr 89

[Text] Pyongyang April 5 (KCNA)—The Japan Socialist Party delegation led by Makoto Tanabe, ex-secretary general of the Party and member of the House of Representatives, left for home today.

It was seen off at the airport by members of the Central Committee of the Workers' Party of Korea Kim Yong-sun, director of a department of the WPK Central Committee, and Kim Pong-chu, chairman of the Central Committee of the General Federation of Trade Unions; Kim Yang-Kon, vice-director of a department of the WPK Central Committee; and Yi Song-ho, vice-chairman of the Korean Society for Cultural Relations With Foreign Countries.

Trade, Technology Agreement Signed With PRC

SK0504153889 Pyongyang KCNA in English 1519 GMT 5 Apr 89

[Text] Pyongyang April 5 (KCNA)—An agreement on establishing an economic, trade, scientific and technological cooperation committee between the Governments of the Democratic People's Republic of Korea and the People's Republic of China was signed in Pyongyang on April 5.

Present at the signing ceremony on the Korean side were chairman of the External Economy Commission Kim Dal-hyon and other officials concerned and on the opposite side were the members of the Chinese Government delegation headed by Qi Yuanjing, minister of metallurgical industry of the People's Republic of China, and Chinese Ambassador to Korea Wen Yezhan.

The agreement was signed by Kim Dal-hyon and Qi Yuanjing.

Provincial Delegation Departs for Soviet Union

SK0504155689 *Pyongyang KCNA in English*
1533 GMT 5 Apr 89

[Text] Pyongyang April 5 (KCNA)—A delegation of the South Hamgyong Provincial Committee of the Korean-Soviet Friendship Society headed by its Chairman Yi Chun-mun left here today for the Soviet Union.

A delegation of the Indian Council of Social Science Research headed by its member-secretary Iqbal Narain arrived here on April 3.

Mongolian Foreign Minister Continues Visit

Meets With Kim Yong-nam

SK0504224889 *Pyongyang KCNA in English*
1534 GMT 5 Apr 89

[Text] Pyongyang April 5 (KCNA)—Talks between Vice-Premier and Foreign Minister Kim Yong-nam and Mongolian Foreign Minister Ts. Gombosuren were held today at the Mansudae Assembly Hall.

Present on the Korean side were Vice-Minister of Foreign Affairs Cha Pong-chu and other officials concerned and on the Mongolian side were the entourage of the Foreign Minister and Mongolian Ambassador to Korea Perenlein Urjinhundeb. At the talks both sides informed each other of the achievements in socialist construction and the situation in their countries and exchanged views on a series of issues of common concern.

Both sides pointed out that the significant meeting between the great leader Comrade Kim Il-song and respected Comrade Jambyn Batmonh marked an epochal event in the development of the friendly relations between the two countries and agreed to further develop these traditional relations in depth.

Foreign Minister Kim Yong-nam supported the efforts exerted by the Mongolian party and Government to defend peace and security in the Asia-Pacific region, saying that their step for arms reduction is a contribution to the cause of peace and security in this region.

Referring to the Korean question, the Mongolian foreign minister stressed that his country will, as in the past, so in the future, too, express full support and firm solidarity for the efforts of the Democratic People's Republic of Korea to convert the Korean peninsula into a nuclear-free, peace zone and reunify the country peacefully on a democratic principle.

At the talks the two sides reached a complete identity of views on the issues discussed.

Gives Gift for Kim Chong-il

SK0604091989 *Pyongyang KCNA in English*
0912 GMT 6 Apr 89

[Text] Pyongyang April 6 (KCNA)—Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, received a gift from TS. Gombosuren, foreign minister of the Mongolian People's Republic, on a visit to Korea.

The gift was handed by the foreign minister to an official concerned.

Meets With Kim Il-song

SK0604090589 *Pyongyang KCNA in English*
0822 GMT 6 Apr 89

[Text] Pyongyang April 6 (KCNA)—The great leader President Kim Il-song today met Ts. Gombosuren, foreign minister of the Mongolian People's Republic, on an official goodwill visit to Korea and his entourage.

Present there was Vice-Premier and Foreign Minister Kim Yong-nam.

Mongolian Ambassador E.P. to Korea Perenlein Urjinhundeb was also on hand.

President Kim Il-song conversed with the guests in a cordial and friendly atmosphere.

He was presented with a gift by the Mongolian foreign minister.

Iranian Revolutionary Guards Group Pays Visit

Presents Gift to Kim Il-song

SK0504112989 *Pyongyang KCNA in English*
1100 GMT 5 Apr 89

[Text] Pyongyang April 5 (KCNA)—The great leader President Kim Il-song today received the visiting group of the Islamic Revolutionary Guard Corps of Iran headed by Sadeqh Heydar-Khani, president of the Academy of Multilateral Defence and Strategy of the Revolutionary Guard Corps of the Islamic Republic of Iran, on a visit to Korea.

Present on the occasion were General Kim Kwang-chin and Major General Yi Hong-sun of the Korean People's Army.

On hand were Iranian Ambassador E.P. to Korea Reza Sayyed-Mohammadi and his embassy officials.

The guests presented a floral basket to President Kim Il-song in congratulation of his birthday and wished him good health and long life.

President Kim Il-song expressed thanks for it and conversed with them in a cordial and friendly atmosphere.

They presented a gift to President Kim Il-song.

Gives Gift for Kim Chong-il

SK0504105189 *Pyongyang KCNA in English*
1034 GMT 5 Apr 89

[Text] Pyongyang April 5 (KCNA)—Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, received a gift from the visiting group of the Islamic Revolutionary Guard Corps of Iran.

The gift was handed to an official concerned by Sadeq Heydar-Khani, president of the Academy of Multilateral Defence and Strategy of the Revolutionary Guard Corps of the Islamic Republic of Iran, who is heading the visiting group.

Paper on Merits of Upcoming Youth Festival

SK0604093389 *Pyongyang KCNA in English*
0901 GMT 6 Apr 89

[Text] Pyongyang April 6 (KCNA)—NODONG SIN-MUN today in an article says that the Korean youth and students will firmly unite with youths and students of various countries of the world coming to the Pyongyang festival under the banner of anti-imperialist solidarity, peace and friendship, transcending difference in ideologies, religious beliefs and social systems and vigorously wage the festival movement so that voices of justice and peace may ring out more loudly on globe.

The Pyongyang festival will become a grand political meeting which will bring the desire and aspiration of the youth and students on the five continents for justice and peace into fuller bloom and demonstrate the might of unity and solidarity, the author of the article notes, and goes on:

The Pyongyang festival will raise as its theme the issue of preventing a thermonuclear war and the anti-war, anti-nuke and disarmament and the issue of carving out the destiny of mankind and pay deep attention to the situation on the Korean peninsula and the Asia-Pacific region which is daily aggravating. Enthusiastic voices calling for peace, the voice demanding a final end to the tragedies in Hiroshima and Nagasaki, will ring out from the festival platforms, and this will powerfully encourage youth and students to the struggle to build nuclear-free, peace zones.

The Pyongyang festival will be an arena of friendship and solidarity among the world's progressive youth and students and people who are fighting shoulder to shoulder for the bright future of mankind.

The 13th World Festival of Youth and Students, the first of its kind to be held in Asia, is a historical event which broadens the regional and political scale of the festival; it will be a grand meeting in which broadest segments of youth and students of all countries will cross the continents, oceans and borderlines and gather at one place to promote contact, understanding, trust and friendship.

Kim Il-song Sends Greetings to PLO's 'Arafat

SK0604100589 *Pyongyang KCNA in English*
0913 GMT 6 Apr 89

[Text] Pyongyang April 6 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings on April 5 to Yasir 'Arafat upon his election as president of the State of Palestine at the meeting of the Central Council of the Palestine Liberation Organisation.

The message says:

I, on behalf of the Government of the Democratic People's Republic of Korea, the Korean people and on my own, extend warm congratulations to you upon your election as president of the State of Palestine at the meeting of the Central Council of the Palestine Liberation Organisation.

The proclamation of the State of Palestine and your election as president mark an important occasion in further promoting the cause of the Palestinian revolution.

I take this opportunity to heartily wish you and the Palestinian people greater success in the struggle against imperialism and Zionism and for achieving the liberation of the homeland and territorial integrity and totally restoring the legitimate national rights.

Kim Il-song Gives Guidance at Cement Complex

SK0504104789 *Pyongyang KCNA in English*
1014 GMT 5 Apr 89

[Text] Pyongyang April 5 (KCNA)—The great leader President Kim Il-song gave on-the-spot guidance to the Sangwon Cement Complex on April 2 and expressed great satisfaction over the building of the splendid factory.

It is a building material production base which annually puts out several million tons of cement and potassic fertilizer with domestic raw materials and fuel.

With all its production processes automated and remote-controlled, it is operated with one fifteenth of the workforce at other cement factories.

Operators, alarm workers and roving inspectors are working here in place of kiln workers, crushing workers and forwarders.

The complex is provided with all conditions in the supply of raw materials.

This district abounds in the raw materials of cement, which are carried by a belt conveyer and trucks.

The complex is equipped with effective dust-absorbing devices.

These devices have been installed doubly and trebly together with wonderful air-conditioners in all production processes. They consumed 30 percent of the total investment.

Modern residential quarters have taken shape for the workers and technicians of the complex. Per family space of the dwelling houses is 75-105 square metres.

Dear Comrade Kim Chong-il initiated and energetically directed the construction of the Sangwon Cement Complex and gave on-the-spot working guidance to it on August 30 last year.

South Korea

Seoul Asks Tokyo To Ban Rev Mun Politicking

SK0604004689 Seoul THE KOREA TIMES in English
6 Apr 89 p 1

[Text] The Foreign Ministry yesterday asked the Japanese government to ban Korean dissident leader Mun Ik-hwan from engaging in political activities in press conferences including accusation of Seoul with regard to its reunification policies and a threat of arrest against him.

The decision came in a meeting of high ranking ministry officials hastily-convened on the Arbor Day holiday to chart out the government countersteps against Mun.

An official present at the meeting said, "We were determined to ask Japan to take necessary measures aimed at prohibiting Mun from doing anything contravening his purpose of entry during his stay in Japan. The request was immediately delivered to Japan."

If this request is turned down as was the previous one for the denial of a landing permit for Mun, the "friendly" relations between Seoul and Tokyo are feared to cool down sharply in the face of President No Tae-u's visit late next month, an informed observer said.

Commenting on the nine-day transit visa granted to Mun, the official disclosed that Seoul has already expressed regret to the Japanese government.

He confirmed that the Seoul administration has asked for Japan's cooperation in returning Mun to Seoul as early as possible and said, "It is regretful for Japan to grant him a visa."

Another senior Foreign Ministry official said, on condition of anonymity, that Japan is believed to have thought too much about North Korea in dealing with Mun's visa and thereby gave Seoul a pointed slight.

Requests Early Mun Return

SK0604014189 Seoul YONHAP in English 0130 GMT
6 Apr 89

[Text] Seoul, April 6 (YONHAP)—South Korea has asked Japan to bar the Rev. Mun Ik-hwan, who arrived in Tokyo Wednesday on a visa granted over Korean objections, from engaging in activities that might denigrate Seoul's reunification policies.

The dissident pastor entered Japan from Beijing after a 9-day unauthorized visit to Pyongyang, where he declared his support for the North Korean reunification formula.

"The government has conveyed its position to Japan that it should take necessary measures not to allow, if possible, Mun to engage in any behavior or speech that could hinder inter-Korea dialogue or impair friendly relations between Seoul and Tokyo," a Foreign Ministry spokesman said Thursday.

Seoul has also expressed regret to Tokyo over the 9-day visa given to Mun, and asked for Japan's cooperation in returning Mun to Seoul as early as possible.

The spokesman said Mun is just in transit on his way back to Seoul, and his stay in Japan should be no longer than required for that purpose.

Another senior Foreign Ministry official, also speaking on condition of anonymity, said that Japan was too concerned about North Korea in dealing with Mun's visa, and thereby insulted Seoul.

Mun Entourage Member Interviewed

SK0504125189 Seoul CHOSON ILBO in Korean
4 Apr 89 p 4

[Telephone interview with Chong Kyong-mo, who accompanied Rev Mun Ik-hwan on his visit to Pyongyang, by correspondent Kang Chon-sok on 3 April in Tokyo]

[Text] [Kang Chon-sok] How are you preparing for your return home?

[Chong Kyong-mo] I must obtain a visa from the Japanese Embassy tomorrow morning. The Korean Government may have pressured the Japanese Government not to issue me a visa. Anyway, I have to wait for it. They may try to extending the time it takes for me to get a visa by deciding to run a background check on my relatives....

[Kang] Do all three persons plan to return together?

[Chong] Yes. It is not a great matter for us to have been to the North. Even so, why do you call me in the middle of the night?

[Kang] Tell me more specifically about your arrival time in Tokyo.

[Chong] We certainly cannot leave tomorrow. We may arrive in Tokyo the day after tomorrow at the earliest.

[Kang] What is your schedule in Tokyo?

[Chong] I will hold a news conference if reporters request one. And, two people, including Rev Mun, will soon leave Tokyo for Korea. I will not leave with them.

[Kang] Do you not want to go to Korea?

[Chong] I will go to Korea someday.

[Kang] How do you judge the result of the current visit to the North?

[Chong] I cannot assess the outcome of the visit to the North in a word. But I have confirmed the concept that the nation surpasses the country. I think the future of the nation will not exist without such faith.

[Kang] How was the atmosphere when Rev Mun Ik-hwan held talks with the North?

[Chong] When Rev Mun arrived in Pyongyang, and also when he departed, he told me that he was composed. He showed no excitement.

[Kang] Tell me the circumstances under which the Mun-Ho joint statement was issued.

[Chong] Rev Mun and Ho Tam, chairman of the Committee for the Peaceful Reunification of the Fatherland [CPRF] exchanged their views. I and a CPRF official stayed up all night drafting the joint statement. We pondered over its content when we arrived in the North. We were satisfied with the statement's draft.

[Kang] There is much criticism and dispute about your secret visit to North Korea.

[Chong] We are convinced that there are many more people who support our visit than who oppose it. More people hail our activities in the North than who support this government. Why can Mr Pak Chol-on visit the North while we cannot? If Mr Pak is punished, we will accept our punishment willingly as well.

[Kang] What is Mr Hwang Sok-yong doing now?

[Chong] After we had lunch with Kim Il-song, he separated from the group. When we left, we each left on our own. He is now traveling to Mt Kuwol in Hwanghae Province and Mt Myolak where his novel "Changgilsan"

is set. Before we visited the North, Mr Hwang told me about such a plan. It is a matter of course that the novelist wants to make a trip to the settings of his works.

After the interview, Mr Chong asked a correspondent in Japan several times to make known to others the location of his dwelling place.

No Tae-u Says Mun Case 'Threatening' Society
SK0604020289 Seoul THE KOREA HERALD
in English 6 Apr 89 p 2

[From the "Out and About" column: "Crackdown on Leftists"]

[Text] President No Tae-u renewed his determination to crack down on radical left-leaning groups, which he said are undermining the very foundation of the liberal democratic system.

Meeting with a group of Korean Lion's Club members at Chongwadae Tuesday, No cited the Rev. Mun Ik-hwan's case as an example which is threatening the national security but benefiting the enemy.

"Mun's unauthorized trip to north Korea has become the target of growing public criticism nowadays because he went to north Korea ignoring the government and the law, thus playing into hands of north Korea's propagandists," said No, stressing that national security is a precondition for the very survival of the people, which can be exchanged for nothing.

Kim Tae-chung Faces Difficulties Over Mun Visit
SK0604010289 Seoul THE KOREA TIMES in English
6 Apr 89 p 2

[By staff reporter Kim Song-pok]

[Text] Although it was the Arbor holiday yesterday, Kim Tae-chung, president of the Party for Peace and Democracy [PPD], promised that he would meet the press at party headquarters at 9 a.m. as he has done every Wednesday.

But he cancelled the projected talks with newsmen. The excuse: He caught a cold.

To be sure, the PPD head might have had to entertain a flood of questions on the Mun Ik-hwan case from the media.

In light of his scrapping the talks with the press, Kim might have thought he had already said enough and should keep silent. He earlier regretted the absence of prior consultation by dissident pastor Mun with the government authorities on his plan to visit North Korea.

By expressing his "regret," Kim appears to be sending a message to President No Tae-u and the conservative military: He is not so dangerous as they think him to be.

But his manner is so quiet and cautious so as not to provoke the dissident forces, which have often shored up him in anti-government struggles.

On Tuesday, a meeting of the PPD high profiles, presided over by Kim, termed Mun's act "private." This was a sign that the PPD keeps its distance from Mun's acts.

There is another voice in the PPD in support of Mun. The Study Group for Peace and Democratic Unification, the association of dissident-turned-lawmakers within the PPD, yesterday stated that it flatly opposes the government's plan to arrest Mun upon returning home.

Rep. Yi Chol-yong said, "The government intends to run counter to the spirit of its own July 17 declaration in which it vowed to encourage inter-Korean exchanges."

As to the conflicting voices within the party, PPD floor leader Kim Won-ki and spokesman Yi Sang-su said uniformly that there can be a variety of opinions because the PPD is a democratic party.

However, floor leader Kim added, "The assertion of the study group is not the official party line."

On Monday, 10 days after Mun sneaked into Pyongyang, Kim convened all PPD legislators' conference to discuss whether Mun was right or wrong. The result: deferment of "official" party position.

Whatever the outcome might be, the debate seemed to be a useful opportunity for Kim to do what he wanted to—send a signal to the ruling camp that he does not sympathize with "reckless" unification activist.

Addressing the conference, Kim emphasized, "It was very regrettable for pastor Mun not to have had prior consultation with the government authorities on his plan." It was his first official criticism although it was limited to pointing out procedural mistake committed by Mun.

He did not proceed far enough beyond this point to make the ruling camp feel at ease.

Kim made the point in his address, "Mun's actions are a matter neither to champion nor accuse."

Opinions split into two constellations of conservatives and dissident-turned-lawmakers in the PPD.

For example, Rep. Sin Ki-ha, formerly a judge by profession, said that he could not give even "1 percent support" to Mun.

Rep. Yu In-hak, professor-turned-lawmaker, denounced Mun's behavior as an act prodded by "tacky heroism and adventurism."

By contrast, Rep. Pak Sok-mu, an erstwhile teacher forcibly dismissed because of his anti-government sentiments, championed Mun by asserting that a great result is possibly harvested for unification when the "barrier of existing laws are demolished, in some cases."

Rep. Chae Yong-sok, once a journalist and long-time dissenter, maintained that the government responds to the Mun case with a McCarthyist manner.

After the debate, spokesman Yi told reporters that the "conservative views" were preponderant in a 7 to 3 ratio. But some insiders of the PPD raised doubts whether floor leader Kim, who is known as a conservative, gave an equal opportunity for the pro-Mun lawmakers to take the floor. They may think the floor leader emceed the meeting to show the PPD's modest image as far as the Mun case is concerned.

Meanwhile, in the March 10 meeting with President No, PPD president Kim stressed from time to time that he is not a Communist sympathizer, according to a high source at Chongwadae.

The source also revealed that Kim did not persist in demanding the ouster of Rep. Chong Ho-yong, former Army chief of staff, who is accused by the opposition parties of being responsible for the Kwangju bloodshed.

PPD head Kim also admitted the fact by saying shortly after the meeting that he and No "paralleled" on the issue.

Another reliable source said that PPD's Kim demanded the deferment of the midterm assesment of No's performance to ward off the move by the hard-liners within the military who advocated a confidence vote in No to allow the rightists to turn the tables in favor of the ruling camp in a change from the present opposition-dominated politics.

Even after Mun returns home, Kim Tae-chung is expected to continue walking the rope between the angry rightists and dissident forces.

Dissidents Hold News Conference on Mun Statement
SK0504100789 Seoul CHOSON ILBO in Korean
4 Apr 89 p 2

[Text] At 1400 on 3 April the "Committee for Welcoming Rev Mun Ik-hwan" composed of more than 1,100 persons, including Kye Hun-chae, adviser to the National Coalition of Movement for Nation and Democracy [Chonminnyon]; Yi Pu-yong, chairman of the Chonminnyon; other dissidents, intellectuals, and religious persons, held a news conference in connection with the announcement of the Mun Ik-hwan-Ho Tam joint statement. At the conference the committee declared: "The joint statement is the same as the reunification principle reaffirmed in the 4 July [North-South] joint statement and does not run counter to the content of the

7 July declaration issued by the present regime. We actively support the basic spirit of Rev Mun's joint statement and his reunification formula."

In particular, among the nine items of the Mun-Ho joint statement, on the fourth item which reads "the country is reunified through confederation under the principle of coexistence between the North and the South," the committee said: "Identifying this item with the confederal system of Koryo on which North Korea has insisted is nothing but the present regime's arbitrary interpretation in a bid to suppress the masses' movement for reunification."

The committee further said: "The confederal system on which Rev Mun insists suggests that the political systems of the two sides which have respective sovereignty are recognized as they are and that the sovereignty of the two sides is exercised together externally. Therefore, his confederal system should be interpreted in a comprehensive and flexible manner."

Pyongminyon Opposes Mun's Arrest Upon Return
SK0604021489 Seoul THE KOREA HERALD
in English 6 Apr 89 p 2

[From the "Out and About" column: "Pyongminyon Position"]

[Text] While the opposition Party for Peace and Democracy is withholding its official position on the controversial trip to north Korea by the Rev. Mun Ik-hwan, "Pyongminyon," a fraternity of dissidents-turned-assemblymen in the opposition party issued a statement yesterday that the government should primarily be held responsible for Mun's trip.

"We are strongly opposed to the government's move to arrest the Rev. Mun upon his returning from Pyongyang," said the statement complaining of what it described as "oversensitive and biased" reportings on Mun's case by local news media.

Pak Kwan-yong Criticizes Mun's North Visit
SK0604010089 Seoul THE KOREA TIMES in English
6 Apr 89 p 2

[From the "Press pocket" column: "Hearing on Unification"]

[text] Rep. Pak Kwan-yong, chairman of the special parliamentary unification committee, was unusually vocal about drawing a national consensus on reunification following the unauthorized visit by dissident pastor Mun Ik-hwan to North Korea.

Meeting with reporters yesterday morning, Pak said he would first hold public forums on unification, timed with Mun's return home. Pak said he would invite eight activist groups including Chonminnyon (the National

Alliance for Democratic Movement), Chondaehyop (National Student Representatives' Council), and the General Alliance for Defense of Freedom.

"When we size up the mainstream opinion at the forums, then we're going to open parliamentary hearings on unification attended by unification specialists of the four political parties," said Pak of the opposition Reunification Democratic Party.

Meanwhile, Pak, attacking Mun's Pyongyang visit, stressed that issues such as national reunification should be discussed by "parties with representation," not by individuals.

"Any discussion of national reunification at individual levels will not help unification efforts," Pak quipped.

Kim Tae-chung Proposes Political Talks on Mun
SK0604065789 Seoul YONHAP in English 0650 GMT
6 Apr 89

[Text] Seoul, April 6 (YONHAP)—Kim Tae-chung, head of South Korea's largest opposition party, proposed Thursday that leaders of all four political parties discuss the Rev. Mun Ik-hwan's illicit trip to Pyongyang, the strike at Hyundai Heavy Industries and liquidation of the past administration's wrongdoings.

"History and the nation ask whether politicians possess the ability to settle the issues and, therefore, it is a major test," Kim said.

A presidential spokesman responded that it is undesirable for politicians to intervene in the cases of Mun and the Hyundai Company, while the ruling party spokesman was positive.

"Our party's fundamental position is not to oppose to any dialogue or meeting between the ruling and the opposition parties," he said.

The New Democratic Republican Party also welcomed the idea, saying it is desirable to cope with the current political issues.

The second largest opposition party [Reunification Democratic Party] reacted negatively, however, reiterating its view that the ruling camp invited the unhappy situation by slowing down democratization and liquidation of past wrongdoings.

Telephone Poll Taken on Views Toward Mun Visit
SK0504072489 Seoul HANGUK ILBO in Korean
4 Apr 89 p 1

[Text] It has been shown that most people negatively view Rev Mun Ik-hwan's visit to the North and believe that the government must be the single channel for contact with the North.

Amid many claims that Rev Mun's case should be dealt with according to the law, there were also many demands that prudent legal actions be taken.

These facts were revealed in a nationwide telephone survey conducted from 31 March to 1 April of 1,199 people by the team of Prof Kim Hak-su (journalism science) of Sogang University, at HANGUK ILBO's request.

According to the survey, when asked about their general opinion of Rev Mun's visit to the North, 66.8 percent of the respondents said it was wrong, 20 percent said it was good for him to visit the North, and 13.2 percent withheld their opinion.

When asked whether Rev Mun should be dealt with according to the law, 57.9 percent of the people responded in the affirmative, while 28 percent said they opposed this. Comparing this with the position on Rev Mun's visit to the North, there was relatively more opposition to Rev Mun being dealt with according to the law.

This kind of reaction is probably due issue of balance and Mr Chong Chu-yong's visit to the North and the political wave which might occur if Rev Mun is dealt with according to the law.

Eighty-one percent of the people who said Rev Mun's visit to the North was wrong cited as their reason the lack of prior consultation with the government. This shows that even though private-level exchange between the North and the South is recognized, a higher emphasis is placed on consistency in the North-South policy. Of the respondents who said Rev Mun's visit to the North was good, 87.8 percent indicated that it would be of great help in reunification. They pointed out a mature capability on the civilian level and also strongly doubted the reunification policy formulated in the main by the government. This is a stark contrast to the views of those who opposed the visit. Of the respondents 69.6 percent positively agreed that the government should be the sole channel for contact with the North, while 22 percent opposed this. This demonstrated a similar distribution in the ratio of opposition and agreement on Rev Mun's visit to the North.

When asked about the motives behind Rev Mun's visit to the North, 35.4 percent of the respondents said he was prompted by pure aspirations for reunification and 33.7 percent said he was motivated by an illusion of contributing to reunification. Also, only 6.4 percent of the respondents gave as the reason confusion in the government's reunification policy. This shows that these responses on the explanation differ from those in the political circles.

Chong Chu-yong Not Allowed To Visit North
*SK0604062689 Seoul YONHAP in English 0614 GMT
6 Apr 89*

[Text] Seoul, April 6 (YONHAP)—Chong Chu-yong, the South Korean tycoon who initiated a joint development plan with North Korea, will not be allowed to visit Pyongyang to discuss economic exchanges, Unification Minister Yi Hong-ku said Thursday.

The government will announce a new unification policy after holding public hearings to collect people's opinions.

"A draft of the unification policy has been mapped out," Yi said, but declined to elaborate.

"Chong's revisit to the North in relation to plans to develop Mt. Kumgang into a tourist resort will not be allowed. He has already informed us of his intention not to visit Pyongyang," he said.

Visits to the North are banned under the National Security Law, but the government allowed Hyundai Group founder Chong to visit Pyongyang in January to discuss the development of the scenic North Korean mountain in a bid to reduce tension and promote peace on the divided Korean peninsula.

Critics have blasted the government for vowing to arrest Rev. Mun Ik-hwan for violating the National Security Law while allowing Chong to make the trip to Pyongyang.

Yi said he has no plan to meet with the 71-year-old Presbyterian pastor when he returns because he will be arrested, but in response to Mun's remarks on his Pyongyang visit, said he would accept a letter laying out the results of his trip if the dissident leader sends one to him.

Mun, now in Tokyo following a nine-day unauthorized visit to the North, said he hoped to explain his talks with North Korean leader Kim Il-song to the unification minister.

Policy of Improving Ties With North To Continue

No Meets With Korean-Japanese Group
*SK0604064589 Seoul YONHAP in English 0639 GMT
6 Apr 89*

[Text] Seoul, April 6 (YONHAP)—South Korea will continue its effort to improve relations with North Korea and pursue democratization in the country with patience while coping resolutely with those attempting to sabotage the free democratic system, President No Tae-u said Thursday.

"Attempts to topple the democratic government, chosen directly by the people, at a time when North Korea has not abandoned its scheme to communize the South, are

a matter of grave concern," the president said in a meeting with a group of 17 leaders of the pro-Seoul Korean residents' community in Japan.

No said he regrets that some radicals are "distorting" the principles of his declaration last summer that aimed to ease the bitter confrontation with communist North Korea.

"Taking advantage of the July 7 declaration and democratic package of the government, some radical forces at home are fracturing ideas of the people and arousing social unrest," he said.

No promised them he would urge the Japanese Government to secure the legal status of Korean residents in Japan during his trip to Tokyo next month.

Mun Case Does Not Affect Policy

SK0604092789 Seoul YONHAP in English 0915 GMT
6 Apr 89

[Text] Seoul, April 6 (YONHAP)—South Korea will not revise its unification policy even though controversies were caused by a dissident clergymans unauthorized visit to North Korea, Prime Minister Kang Yong-hun said Thursday.

"Our unification policy should not be changed following Rev. Mun Ik-hwan's trip to the North. Our basic unification policy is to create a system of peaceful co-existence (on the Korean peninsula) by building mutual confidence through cultural and economic exchanges," the premier said during a regular cabinet meeting.

"We can make alterations in our dialogue and in choosing our counterpart for dialogue as a strategy for reunification, but we cannot change our basic policy toward North Korea," Kang said.

Opinions on South Korea's unification policy have been mixed since Muns trip to Pyongyang shocked the nation, which bans unauthorized visits to the northern half.

Officials hint that the government will shelve economic exchanges with the North because of Muns visit and say that Chong Chu-yong, who has initiated a joint development project with the North, will not be allowed to revisit Pyongyang.

Chong agreed during a trip to North Korea in January to help develop a scenic mountain into a tourist resort to reduce tension and promote peace on the Korean peninsula.

Unification Minister Yi Hong-ku said, "it doesn't make any sense for Mun to say that he established a channel for non-governmental-level dialogue since North Korea's Committee for Peaceful Reunification of the

Fatherland cannot be regarded as a civilian organization." Mun signed a joint statement with the North Korean organization, which is now headed by former Foreign Minister Ho Tam.

The government says it should be the sole channel for South-North dialogue, but dissident and radical student groups claim they also should be allowed to contact the North.

DJP To Seek 'Unshakable' Policy

SK0604021089 Seoul THE KOREA HERALD
in English 6 Apr 89 p 2

[From the "Out and About" column: "Unification Policies"]

[Text] Alarmed by confusion over unification formula caused by the controversial trip to north Korea by the Rev. Mun Ik-hwan, the ruling party is considering coming up with new yet "unshakable" unification policies that are broadly acceptable by the people.

Rep. Yi Chong-chan, Democratic Justice Party secretary-general, said Tuesday that a new unification formula will be finalized after accommodating opinions from all segments of the society through public hearings as soon as the Rev. Mun's case has settled down.

There might be few persons who are opposed to national reunification but approach to the unification should be made carefully and gradually considering sensitive problems associated with the issue, Yi said.

"Confidence-building and settlement of peace on the Korean Peninsula is a precondition for unification efforts," he stressed.

*** Conglomerates Gear Up for South-North Trade**

41070058 Seoul CHUGAN MAEKYONG in Korean
19 Jan 89 pp 22-24

[Article by Ryu Ho-kil]

[Text] A strong wave is swelling in the financial world regarding South-North trade. All major enterprises in the country are busy setting up special project or trade teams specifically designed to be in charge of North Korean trade.

Since the new year a movement is afoot to establish the "Council for Economic Exchange With North Korea" (tentative title) supported by the entire financial world, particularly the Chonkyongryon (National Economic Federation). Influential entrepreneurs who were originally from the North are close to forming a council for investment in North Korea as an arm of investing in their hometowns. These are some of the signs that brighten the prospects of trade with North Korea.

The barrier that for 40 years stood firmly in the way of economic exchange is now being slowly removed. If the present atmosphere persists, it may not be long before "those exiled away from home" will be able to place products from North Korea on their ancestral memorial service table.

Opening Up Trade of Short-Necked Clams

Amidst the bustling atmosphere of open trade with the North following the president's 7 July announcement on the South-North open policy and the 17 October announcement on the expansion of South-North trade, the Hyundai Group has been the most responsive. The Hyundai Group has been pursuing a two-pronged strategy of importing consumer products through trading companies and participating directly in the development projects of North Korea through joint ventures.

Short-necked clams, ginseng, and silk with the Democratic People's Republic of Korea mark were, for the first time, made available on the domestic market by the Hyundai General Trading Company on 4 November 1988. This company has already filed application with the Ministry of Trade and Industry for an import license for 100,000 tons of anthracite coal, 100 tons of Alaska pollack, and 900 tons of zinc lump. It is expected that the import license for pollack will be issued soon.

The China Department of the Hyundai General Trading Company established a North Korea trade team. Through this organizational alignment, the Hyundai Group is planning to import both mineral products such as iron ore, pig iron, silica, and scrap iron and primary products such as agricultural products and herbal medicinal materials.

As for the method of payment, the current plan calls for bartering with electric and electronic products, steel, passenger automobiles, tires, fibers, and chemical/pharmaceutical products which North Korea needs.

Considering North Korea's weak sales network, the Hyundai Trading Company is negotiating with its North Korean counterpart for some way to serve as a sales agent for North Korean products.

At the same time, negotiation is underway to market through its subsidiary Hyundai Department Store such North Korean products as ginseng, miscellaneous items, and industrial products. Sales are expected to be high because the store will provide access to these products to its regular customers.

Apart from products trading, the Hyundai Group which has been exploring the possibility of a joint venture finally decided to participate in the development of Mt Kumkang. Its honorary chairman, Chong Chuyong, and

a working-level negotiation team are said to be planning to visit North Korea toward the end of the month, and this is attracting considerable attention from the financial world.

Heads of Financial Combines Seek Direct Visit

The Samsung Group is said to also be pursuing a two-pronged approach. The Samsung Trading Company will promote trading, while a joint venture will be spearheaded directly by the head of the group.

The Samsung Group established a special trade team for North Korea within its Market Development Department, and added two new staff persons to this team. It has directed its branch offices in Hong Kong, France, Tokyo and other overseas areas to conduct basic market research, displaying a heightened level of activity comparable to the Hyundai Group.

As a result of these accelerated activities, the Samsung Trading Company on 4 January became the first domestic trading company to obtain an import license from the Ministry of Trade and Industry for 1,000 tons of North Korean pollack. It is likely that the products will be available to consumers toward the end of February.

A subsidiary of the Samsung Trading Company incorporated in France received in November 1988 an offer from the IFA Food Company, which serves as French agent for the North Korean Marine Products Company. Pollacks, which are now eligible for importation, will be exported from Hungnam early in February and enter through Pusan or an East Coast port. The import of North Korean pollacks by Samsung marks the first time North Korean products have been officially imported, and it may provide a turning point in South-North trade.

The Samsung Company, which has applied for an import license for anthracite in addition to pollack, has decided to pursue importing other items which are in high domestic demand such as zinc and other nonferrous metals as well as marine products.

The Shinseke Department Store, a subsidiary of Samsung, has been conducting a behind-the-scene negotiation for bartering with the Pyongyang Department Store, but this has run into a snag recently. As a result, it is now preparing to market imported North Korean products.

Through intermediary routes such as Japan, Hong Kong, Vietnam, and Thailand, Shinseke is said to have secured some 50 primary products from North Korea (approximately 80 million won worth). These include beer, cigarettes, and ginseng from Kesong; pollack, squid, herring, pine mushrooms, and medicinal materials from high-altitude areas.

On the premise that a joint venture will be more promising in the early stage of trade with North Korea, Samsung Group has been exploring investment possibilities. When the working-level analysis is complete, Chairman Yi Kon-hui is likely to take over and play a leading role.

A plan is under active consideration to include with Chairman Yi the presidents of subsidiary companies and to promote construction of hotels and plants for food seasonings, fiber products, and home electric appliances.

The Lucky-Goldstar Group, which has already submitted an application for an import license for 200 tons of anthracite coal, is seeking measures for active trade expansion under the assumption that the exchange will increase dramatically in the near future.

Bartering Interests North Korea

The strategy of Lucky-Goldstar assumes that indirect trade through third countries and intermediate trade between third countries will be more feasible and plans to emphasize intermediate trading with Macao, Hong Kong, and Singapore. It is also studying various means of strengthened cooperation between Western countries like Japan and France and East European countries dealing with North Korea such as Yugoslavia and Hungary.

The current plan is to send a delegation of presidents of subsidiary companies to North Korea as early as the middle of the next month, and it is said that the selection of delegates is now underway.

Lucky-Goldstar, which has been negotiating with North Korea through individuals without a centralized, North Korean team, is planning to establish in mid-January a North Korean specialty team within the existing China Department.

Daewoo Group, which has been conducting its negotiation with North Korea rather discreetly compared with other conglomerates, is planning to establish a North Korea specialty team soon.

It is generally understood that the Daewoo Group is working on a detailed negotiation to import 1.5 tons of gold from North Korea. In the past this has been imported from the United States and other areas (approximately \$25 million worth). The domestic annual consumption of gold in Korea is approximately 15 tons.

Underlying this plan are such considerations as the fact that importing gold from North Korea would eliminate the 5 percent tariff and reduce transportation cost, ultimately increasing its competitiveness.

The Daewoo Group is known to have applied for an import license for anthracite coal and electric copper with the Ministry of Trade and Industry. It is also planning to increase importing primary mineral and marine products.

In the event they are able to import such products, Daewoo is contemplating a barter trade, swapping such items as color TV's, refrigerators, and other electric home appliances.

As the Hyundai Group has done, the Daewoo Group has also been planning to join in the development of Mt Kumkang, and the construction of a heavy equipment manufacturing plant and is promoting a visit to North Korea by its chairman, Kim Wu-chung. If all proceeds well, an application for a permit to visit North Korea may be submitted as early as the end of this month.

The Ssangyong Company, the first domestic company which applied for a permit to import 200,000 tons of anthracite coal, has recently decided to import magnesite used for ceramics and has reportedly been negotiating with a North Korean agent stationed in Singapore.

Ssangyong is planning to import croaker, zinc, and electric copper. In anticipation of an increased import of North Korean agricultural products, Ssangyong has upgraded its agricultural/marine team to a departmental status.

Ssangyong is further considering a plan to merge into one special team the functions currently performed by both the Planning and the Business Departments. This merger is likely to take place in February.

The Sonkyong Group, which has maintained a North Korea special team as part of its special education team, became the sixth general trading company which applied to the Ministry of Trade and Industry for a permit to import anthracite coal. Although Sonkyong is planning to concentrate on importing coal for the time being, its future plan for the second half of the year includes importing marine products such as pollack and mineral products such as aluminum. It has already collected samples, and a feasibility analysis is under way.

The Hyosong Group has also decided on a plan to invigorate indirect trade through its import development team.

Hyosong Company, which has already imported 2 million tons of electric copper through a Hong Kong intermediary, has applied for a permit to import anthracite. Upon approval of this permit, the company will seriously consider the possibility of exporting fiber and rubber products.

In response to the quickening pace of moves by general trading companies, specialty companies and government agencies have begun to approach trade with the North cautiously.

The Kuil Industry, a marine product company, applied last December to the Ministry of Trade and Industry for a permit to import 1,000 tons of frozen pollack. The Olympia Seoul Company, an importer/exporter of stamps and reference books, announced last November that it would import some 1,000 stamps commemorating culture, customs and industry. It has become a matter of considerable attention that the government authorities are also considering a plan to export the surplus of the red pepper crop directly to North Korea.

Likely Increase in Direct Trade Items

In spite of these signs of expanding trade between South and North Korea, the present trade is limited to indirect trading. Importing and exporting are accomplished through a third port, and payment is also through a third country bank.

Those domestic companies with plans for importing anthracite coal from North Korea are planning to transport coal from North Korea directly to Incheon and Pusan, which nevertheless is a form of indirect trading in that it is carried out through a third country trading company and payment made through a third country bank.

Legislative amendments and new administrative procedures as well as an improved political relationship will have to precede direct trading between the two Koreas.

Different agencies within our government have differing interests and perspectives, and it is said to take several months to obtain import permits because pertinent regulations are not streamlined yet. Most of the import permit applications now pending at the Ministry of Trade and Industry are 2 to 3 months old.

Anticipating a shift from indirect trade to direct trading, the government authorities are now busy preparing for necessary legislative changes. The government's current plan is for the Ministry of Justice to issue a special order on South-North trade as a temporary measure to support the administration policy.

The prevailing opinion in the financial world is that even after removing systemic barriers, the South-North trade should follow a cautious gradual approach.

This is because unconditional optimism is unwarranted so long as the South-North economic relationship remains dependent on the larger politics of the two Koreas. Of primary import here is the fact that the North Korean Government controls all the trade windows. North Korea is engaged in foreign trade through 11 all-purpose trading companies including the Pyongwha

Trading Company, 14 specialty export companies, and 45 general trading companies, but their branch offices all operate under the direction of North Korean Government authorities.

Very recently, North Korea criticized the efforts of the South Korean Government and financial world as a "familiar, fabricated plot," casting a chilling spell throughout the business world. North Korea has always been so near, yet so far. Economic exchange with the North will require patience and a larger perspective, taking into consideration that trade with the North is more than a mere commercial exchange, it is the opening of a new, obstacle-ridden market in the communist world.

* Trade Will Cause Problems

41070059 Seoul MEIL KYONGJE SINMUN in Korean
19 Jan 89 p 2

[Editorial: "Conditions for South-North Trade; Exchanges Should Consider Larger Objectives"]

[Text]Part 1

Although the development of a relationship between South and North Korea has quickened in pace, it is not clear if it is taking a turn for the better or worse.

The type of materials to be exchanged between South and North is a typical example. At the present time, trade is limited, but there seems to be an impending rush to import North Korean products, and this is not without its problems.

First of all, the way in which big companies are rushing into the field, as if they are in a popularity contest, presents an unusual situation.

Since South-North trade should not be initiated or dictated only based on consideration of individual firms' profits, there remains an element of apprehension that excessive competition in the early stage might produce an undesirable outcome.

As it is generally understood, South-North trade is considered an internal exchange taking place within the boundary of one people. This definition implies that excessive competition among large firms as in their foreign trade activities should not be allowed in South-North trade.

Secondly, it is problematic that applications for trade permits filed by the 10 biggest companies are largely limited to anthracite coal and marine products.

Importing large quantities of anthracite coal is directly tied to the livelihood of low-income mine workers; and the importation of pollack and cuttlefish in large quantities is likely to worry fishermen. In connection with pollack fishing, an ironic situation may develop where

consideration for North Korean fishermen will end up hurting the fishermen of the East Coast, many of whom originally came from North Korea.

According to the figures which related agencies have either reached an agreement on or been negotiating, the total number of permits may amount to 775,000 tons of anthracite coal (worth \$36 million) and 7,000 tons of marine products (worth \$2.36 million). One cannot make a definitive statement regarding the damage that can be brought on our fishermen and miners by this stipulated importation. Without losing sight of the initial good intentions of trade with the North, the importation of goods that may create internal problems in our society should be examined with great care.

Part 2

Recent developments in the South-North relationship in both economics and politics are noteworthy in that they appear to be fragmented and uncoordinated.

We do not believe that at this time it is necessary to issue directives or impose overall control from one source. On the other hand, it can be said that a situation detrimental to the overall progress of the South-North relationship could result if diverse forces pursue their own interests exclusively.

As for economic exchange, we can say with confidence that exchanges should be within the framework of overall cooperation.

An overall framework of South-North trade, in our opinion, should consist of importing raw materials and underground resources, and exporting industrial products, while sharing the technology and experience of economic development with each other.

Speaking with such a framework in mind, one can say that anthracite coal and marine products are clearly items suitable for importation. However, a limit to import quantities of these items may be unavoidable considering the overall supply-demand plan.

Consequently, there is likely to be a problem when the big companies, possessing fine-tuned market information, rush to import these items simultaneously. Although we have not been informed of the extent of negotiations with North Korean firms, we find it difficult to believe that importable goods are limited to anthracite coal and marine products. We are inclined to question whether large firms should be preoccupied with competition with their peers without regard to the impact on farmers and fishermen, when their ultimate objective is to penetrate the economic sphere of North Korea and maintain a position of advantage.

We look forward to the era when general trading companies and large firms will play a leading role in the future exchanges between our peoples, taking advantage of their cumulative experience gained in overseas trade over a long period of time.

From this standpoint, it can be said that participation in the domestic market and increased import capacity are urgent matters. As for South-North trade, we suggest that large firms should place emphasis on long-range cooperative projects, taking full advantage of their power of capital mobilization, overseas marketing experience, and the network of personnel stationed in overseas posts.

Stated in a different way, attention should extend beyond importing those items which the North Korean Government is pushing or which may attract interest and curiosity, and the big firms should adopt a broader posture offering something fundamentally beneficial.

Part 3

Among the many foreseeable milestones in the South-North relationship, a most visible one is the South-North summit meeting mentioned in President No Tae-u's New Year message.

Although the exact timing is difficult to pinpoint, it is our government's policy to move ahead with this summit meeting as soon as possible.

As if to nurture such an atmosphere, progress is being made on the meeting of prime ministers, and the visits to North Korea by businessmen which will take place soon. Some may say that at a time like this, it is out of tune with reality to make statements which seem to inhibit or apply sanctions against the progress of South-North trade.

Our intention, however, is not to suggest inhibiting exchange activities, but to caution against the future ramifications of excessive competition as a means of promoting healthy progress.

It is no longer necessary to place blame on the lack of appropriate legal or regulatory guidelines regarding South-North trade since a decision has been made to adopt and apply the provisions for special area designation of the existing foreign trade laws.

Furthermore, it has been reported that a planning team for South-North trade promotion has been formed to support the issuance and implementation of necessary guidelines and regulations. Plans are also said to be in the making to promote both the exchange of businessmen and materials.

If such preparations are properly made, South-North trade should move forward without adverse side effects.

It is absurd for a government agency to say at this point that it did not have prior knowledge of the development. One can not help wondering what the planning team for trade promotion has been doing. One also has to question the purposes for which guidelines and regulations have been promulgated.

The main point is that the South-North trade, if initiated in a wrong direction, might injure the ultimate goal and wish for an improved relationship between South and North Korea. Our government should never lose sight of this larger objective, and should guide and regulate the South-North trade to avoid distractions and counter-productive developments.

*** Pak Chol-on, Pak Se-chik Rivalry Revealed**

41070091 Seoul IRYO SINMUN in Korean
5 Mar 89 p 2

[Article by Yi Sang-u: "The Inside Story of the Power Struggle Between Pak Chol-on and Pak Se-chik"]

[Text] There has lately been something amiss regarding our North policy, which has been in the limelight as the greatest political trump card for the No Tae-u administration since the birth of the Sixth Republic. Particularly, there are clear signs that fever for reunification, which is the ultimate goal of the policy toward the North, has suddenly begun to cool down. There may be many reasons for this cooling trend, but it is noteworthy that all indications strongly point to the jealousy, conflicting interests, and rivalry between power groups which exists below the surface. Considering that the policy toward the North, and more specifically, the question of reunifying the country, is a national issue, and this policy is the highest political trump in the hand of the No administration, the below-the-surface struggle inside the power structure over this policy is fraught with serious problems which cannot be overlooked.

Signs that our policy toward the North is cooling down are obvious from developments inside and outside the country. We can feel a sudden cooling down of enthusiasm on the part of North Korea. Among other indications, beginning in February, North Korea unilaterally called off preliminary contacts for a full-dress North-South parliamentary conference and showed an uncompromising attitude in other dialogues as if it had reverted to the tactics it had used in the days of the Fifth Republic. The defection of two North Korean students in Hungary last week, and the prompt reaction by North Korea branding the defection as "an act of abduction by South Korea" are also expected to have the effect of throwing cold water upon unification fever.

On the other hand, while deliberately instigating South Korean dissident groups, including the National Coalition of the Movement for Democracy and the Nation (Chonminyon), North Korea is throwing brickbats at the No administration. Despite the gestures of the No administration, indications are that there will be no

significant change in North Korean tactics with regard to North-South dialogue, let alone North Korea's basic strategy toward the South, until at least the internal situation in South Korea is stabilized.

Reaction by the Military and Right-Wing Groups

Fairly strong pressure to cool the fever for rapprochement with the North is coming from the United States. During his visit to South Korea, President Bush officially expressed active support for the ROK policy toward the North. But behind this officially expressed support, the United States reportedly has been constantly watching this policy and trying to apply the brakes on it. It is a well-known fact that the United States is reacting sensitively to any signs that the ROK tends to move too close to the Soviet Union and any ROK move regarding the development of Siberia.

Leaving the external conditions related to the policy toward the North aside, what has lately been going on inside the South Korean power structure over this policy is alarming. The matter is so serious that one false move, and it will not simply make the policy go haywire, but it will affect even the political course and the power equation of the No administration itself.

To be sure, the substance of the policy toward the North is supported by the majority of the people. But it cannot be ignored that there is an undercurrent of opposition to it. Because the content and the pace of the policy being executed is so "radical," the possibility has been anticipated that groups who feel uneasy about the affair will take some action.

It is common knowledge that the military and right-wing groups are expected to try to hold the policy toward the North in check. In fact, the anticommunist right-wing forces, which have become deeply rooted since the days of the Liberal Party, have long voiced their opposition to this policy.

There have been no reports as yet that the military has expressed its view in one way or the other, but it is undeniable that the military is a group whose position is very sensitive to any change in relations between North and South. Supposing that North-South dialogues make progress and the question of arms reduction begins to be discussed in concrete terms, it can be easily imagined that the military is in such a position that it would like to have a say on this issue. In this connection, it is necessary to examine closely the fact that one of the reasons why the military swung into action during the 16 May 1961 coup was that the Liberal Party government was considering reducing the ROK troop strength by 100,000. According to some observers, one of the factors responsible for the failure of the secret contacts which had been going on for a while in late 1985 under the Fifth Republic was that the military was uneasy and applied the brakes on them.

A cacophony of complaints is being voiced about the way the policy toward the North has been pushed forward. The focus of the complaints is the secrecy of the way diplomacy vis-a-vis the North is being pursued by a particular group within the power structure. In addition, the confusing multiplicity of interagency channels involved in planning and promoting policy toward the North also poses a problem.

The naked complaints and conflict are coming to the fore not only between the ruling and opposition camps but also inside the ruling party. On 8 February, Prime Minister Kang Yong-hun invited senior DJP officials and the vice presidents of the three opposition parties to an informal talk to discuss problems concerning the North and the South. At this meeting, all participants referred to the secrecy of ROK diplomacy toward the North. Subsequently, during the 13 February interpellation session in the extraordinary National Assembly session, opposition assemblymen criticized "closed-door diplomacy" and the disorderliness of North-South exchanges.

It is no ordinary matter that voices expressing concern and complaints about policy toward the North being pursued by a particular person and the group he leads are being heard more stridently inside the ruling party than elsewhere. The origin of critical views among ruling party officials toward Pak Chol-on, presidential assistant for policy and concurrently a National Assembly member, can be traced back a long way. It is Pak who plays the role of what may be called the conning tower for the group commonly known as the "Northern-policy team."

Whisperings of criticism against Pak began to be heard sporadically inside the ruling camp immediately following the 26 April general election last year, and by the summer they grew into strident complaints that became audible even outside the ruling camp. The thrust of the complaints is that Pak, as a kin of No Tae-u, culled some politicians with a military background out of the center of power during the time of the presidential election, on the grounds that they would have a negative effect on the election, and that Pak also meddled in the nomination of party candidates to weed out certain personages and nominate people having personal ties to him. The rumor dates back to a time when Pak was not welcomed by the military and his ties with the military were awkward.

According to our analysis, there are several reasons why Pak Chol-on has become a target of criticism inside the ruling camp. Jealousy and attempts to hold him in check may be cited as a reason because with the nimbus around him as a kin of the president and the "Prince of the TK Group," he has rapidly risen as the No 1 man since the birth of the Sixth Republic. In any era and in any government, there are bound to be people with real power and forces opposed to them within ruling circles, and the criticism against Pak may be explained by this attribute of power relations.

Calculated Gambit by People With Vested Interests

Another reason could be a deliberate attack on the policy toward the North. The criticism may be interpreted as a calculated gambit on the part of the forces bent upon frustrating policy toward the North, and who are doing this by attacking Pak. Those close to Pak say that "there are forces attempting to interfere with the government's policy toward the North, and these forces are manipulating public opinion through various channels."

For whatever reason, the criticism against Pak and the Northern-policy team led by him has proved unsuccessful. This is partly because the policy toward the North enjoys overwhelming public support, so the forces attempting to hold this policy in check are bound to feel limitations on their ability to achieve this. However, it is mainly because the president, the holder of the supreme power, is on the side of the policy team. Last summer, when there was a rush of criticism against Pak's appointment to his important post, President No defended Pak on informal occasions. The president explained that "chances are good that the question of North-South relations will be discussed in the future, not only on a policy level, but also at the National Assembly, so I have appointed Pak, who has continually dealt with North-South relations for the past 8 years, as my assistant in his concurrent capacity as a National Assembly member."

Later, when there was discord over the question of who would be in charge of policy toward the North, President No opted to have Pak take charge. In the early days of the Sixth Republic, matters relating to North-South relations fell under the jurisdiction of the senior presidential secretary for political affairs. This invariably caused friction between the Office of the Assistant to the President for Policy headed by Pak Chol-on, who had been in charge of North Korean affairs ever since his Agency for National Security Planning [NSP] days, and the Office of the Senior Presidential Secretary for Political Affairs. For this reason, President No set up the post of special assistant to the president for policy when he reshuffled the cabinet on 5 October of last year, and readjusted the duties of various branches of the Blue House Secretariat, letting Pak Chol-on's Office of Assistant to the President for Policy, not the Office of the Senior Secretary for Political Affairs, take charge of matters concerning the North.

Indications are that spurred by this presidential action, the controversy over Pak Chol-on and the policy toward the North which have been smoldering for a while inside the ruling camp will be rekindled once again. This time, the controversy is surfacing in the form of the rivalry between the Pak Chol-on group and the NSP, raising fears that the controversy over the policy toward the North may be enmeshed in the web of a power struggle.

The controversy was triggered by the visit to North Korea by Chong Chu-yong, the honorary chairman of the Hyundai Group, Chong visited North Korea on 21

January at the invitation of Ho Tam, chairman of the North Korean Committee for the Peaceful Reunification of the Fatherland, and he returned home on 2 February. At a press conference held at the airport upon his return, Chong disclosed that he had reached agreement with North Korea on a joint Mt Kumkang development project, a joint factory construction project under the joint venture law, and a joint Siberia development project. He also said that sightseeing tours of Mt Kumkang would begin this year. His optimistic remarks stirred up the "Mt Kumkang boom" and unification fever.

Amid the sweeping mood of optimism that people would very soon be allowed to cross the armistice line to tour Mt Kumkang and that exchange of personal visits between North and South would begin soon, the NSP on 4 February invited the political department chiefs of various news media to its headquarters in Imun-tong, to show them a taped TV interview given by Chong Chu-yong during his stay in North Korea. NSP officials explained that the purpose of the gathering was to inform the press of all information collected on the North rather than concealing or monopolizing it. However, we had the impression that the showing of the taped TV interview had some ulterior motive beyond the professed purpose of sharing information.

North Korea Referred to as 'Republic,' South Korea as 'the South'

In the videotaped interview, which ran about 10 minutes, Chong kept a low profile from beginning to end, and while talking, he spoke flatteringly of North Korea by calling it the "republic," while referring to South Korea as "the South." In the final analysis, he slandered the ROK, which is his home. Chong said in this tone: "The republic has an excellent social security system and a good foundation for development based on a self-supporting economy, whereas in the South, economic development has been pushed by foreign capital, with the result that its economy is fraught with problems associated with a dependent economy."

It is noteworthy that with the NSP showing of the videotape and relevant briefing on the day as a watershed, the press suddenly began to change its posture. Newspapers, which previously had saturated their pages with articles related to the "Kumkangsan boom," now shifted their posture to a critical stand. For instance, TONG-A ILBO had begun carrying Chong Chu-yong's "Account of a Visit to North Korea" as a special series until the NSP showed the videotape in question. The paper suspended the series after only two installments on the day the NSP briefing was held. In its 3 February editorial entitled "Mt Kumkang Getting Closer," TONG-A ILBO hailed the outcome of Chong's North Korea visit. But, on the following day, the paper shifted

its attitude 180 degrees in its editorial, "Why Such a Frivolity?" Other newspapers underwent a similar radical change in their attitude in the coverage of the Chong chu-yong affair.

Mass media were not the only ones. Words of criticism of Chong's North Korea visit burst out in political circles. For instance, during the 24 February interpellation session of the National Assembly Foreign Affairs and Unification Committee, PPD [Party for Peace and Democracy] President Kim Tae-chung asked the government whether or not Chong's visit to North Korea and his remarks at a press conference in Pyongyang were in violation of the law.

Answering Kim's question, Yi Hong-ku, minister of the National Unification Board, explained quite frankly about the dual position of the government, saying in an agonizing tone that "the administration finds itself in a dilemma regarding Mr Chong Chu-yong's visit to North Korea." Minister Yi was sincere when he said: "With the government trying to improve North-South relations, on the one hand, and on the other, trying to suppress anyone paying homage and giving encouragement to North Korea, its policy may appear not to be consistent in the eyes of the public."

The view of the ruling camp with regard to Chong's visit to North Korea is on the whole critical, except for the Pak Chol-on team. On 9 February the administration and the ruling party held a high-level consultative conference, during which the participants came to the conclusion that there are serious fears that North-South exchanges and the policy toward the North might be pressed forward in a disorderly manner. The public is highly critical of behind-the-scenes contacts and other modes of secret diplomacy; and on the basis of this, it was decided to enact pertinent legislation and set up the machinery to unify and coordinate our policy toward the North.

Straight to Blue House Upon Return

Subsequently, on 18 February, a Northern-Policy Consultation and Coordination Committee meeting was held at the NSP headquarters, chaired by NSP Director Pak Se-chik and attended by the ministers of foreign affairs, commerce and industry, construction, education, and transportation, in addition to the minister of the national unification board. The meeting discussed Chong Chu-yong's recent visit to North Korea and the question of adopting unified machinery to handle matters relating to the government's policy toward the North. At this unprecedented meeting, the ministers in charge of regular channels handling Northern affairs, such as the Ministry of National Unification Board, the Ministry of Foreign Affairs, and NSP, reportedly expressed strong dissatisfaction with the style of secret diplomacy conducted by the Pak Chol-on team. Moreover, most of the conferees reportedly expressed negative views concerning the circumstances surrounding

Chong Chu-yong's visit to North Korea, the details of his interview in North Korea, and the written agreements signed with North Korean officials. One high-ranking official who attended this meeting acknowledged that the atmosphere of the meeting was such that quite a few speakers called into question the propriety of Chong Chu-yong's contacts with the North. Another source predicted Chong's second round visit to North Korea scheduled for 20 April or thereabout may be delayed considerably.

The the ruling camp's critical stance, centering around the NSP, against Chong Chu-yong's visit to North Korea is viewed as being directed at the forces led by Pak Chol-on who were behind this visit. From this point of view, people in political circles say that there has been undercover strife between the Northern-policy team in the Blue House and the NSP over policy toward the North, and some of them call this strife a "Pak Chol-on vs Pak Se-chik power game."

Observers regard it as a publicly acknowledged fact that Chong Chu-yong's North Korea visit was carried out with the prior approval and arrangement of the Pak Chol-on team. Immediately before his departure, Chong reportedly visited the Blue House for a consultation with President No and Presidential Assistant Pak Chol-on. Reportedly, the NSP was bypassed in this process. In fact, about 1 and 1/2 years ago, when Chong, interested in visiting North Korea, sounded out the NSP on this idea, the NSP was against it. But with the backing of a new man of real power, namely, Pak Chol-on, and of the team Pak leads, Chong Chu-yong has visited North Korea in defiance of the opposition on the part of the NSP.

Upon his return, Chong held a press conference at Kimpo Airport in spite of the NSP advice against it. Immediately afterward he went straight to the Blue House from the airport to make a first-hand report to Presidential Assistant Pak Chol-on on the outcome of his visit to North Korea. A few days later, Chong called on President No and Prime Minister Kang Yong-hun, but there is no report that he has ever visited the NSP.

*** Criticism Grows of Pak's 'Secret Diplomacy'**

41070077 Seoul ILYO SINMUN in Korean
12 Feb 89 p 10

[Article by Yim Hui-kyong: "Pak Chol-on's Secret Envoy Diplomatic Moves"]

[Text] Amid signs of a rapidly advancing North Policy spurred by the establishment of diplomatic relations with Hungary, criticism is growing in diplomatic and political circles over the "secret-envoy diplomatic moves" of the Sixth Republic. This is not only a check on the government of the Sixth Republic, which is pursuing Nordpolitik as a core program; it is also, in the final analysis, criticism of Blue House Policy Adviser Pak

Chol-on, who is an influential figure of the Sixth Republic as well as the working-level official in charge of Nordpolitik. The issue is thus becoming the focus of concern.

Political Offensive Heats Up

Kim Tae-Chung, president of the Party for Peace and Democracy (PPD), formally criticized the government's method of conducting its Nordpolitik when he stated at a policy seminar at the Namhangang Training Center on 10 January: "The North Policy being promoted by the No regime ignores the principle of supra-partisan diplomacy, and from the government standpoint the problem is that its being conducted in secrecy."

In that forum, PPD President Kim said: "The regrettable thing about Nordpolitik is not just that the government is conducting secret diplomacy. That it is being carried out not by the Ministry of Foreign Affairs (MFA) or the National Unification Board (NUB), but by a specific person within the ruling camp, is both regrettable and very dangerous." This is an indication that he will make an issue of "closed door diplomacy."

This kind of attack is not just being heard within political circles. Within the MFA as well there has been a strong outpouring of grievances concerning the Pak Chol-on team, and this has been attracting attention.

In the Foreign Ministry people are saying, "This business of sensitive diplomatic issues being conducted by non-specialist outsiders must be straightened out," and the uproar has turned the spotlight of public opinion on Adviser Pak. One Foreign Ministry source vented his strong dissatisfaction, saying, "Even during the process of achieving an agreement with Hungary to exchange and establish trade offices, it was only at the last minute that a MFA bureau director-level official went along, but everything was managed by Adviser Pak," with the Foreign Ministry merely playing the role of "second banana."

Given this kind of atmosphere, the plan to establish a "North Policy Promotion Headquarters" which was revealed at Foreign Minister Choe Ho-chung's regular get-together with the press on 4 February, is also drawing attention in political circles. Through that informal get-together, Minister Choe announced: "With the formal establishment of diplomatic relations with Hungary as the impetus, in order to promote more efficiently and systematically the improvement of relations with Yugoslavia, Poland, Czechoslovakia and other East European socialist countries—and ultimately the Soviet Union and China—we have decided to establish within the Foreign Ministry a North Policy Promotion Headquarters to be headed by a second assistant vice minister." And he noted that, "The North Policy Promotion Headquarters, composed of the Asian Bureau, the European Bureau, and the Commercial Bureau, will efficiently promote the

North Policy—which has heretofore been conducted through diverse channels—and coordinate and consult with the various offices concerning relevant matters.”

That a “North Policy Promotion Headquarters” was eventually established reveals, on the surface at least, that there was a real need for an office in overall charge of such a policy, since it is being actively promoted nowadays. According to the assessment of political observers, however, internal factors—the wide-ranging criticism and particularly the conflict between Adviser Pak’s secret-envoy diplomacy and the institutional diplomacy of the Foreign Ministry—probably had a great impact on the decision as well. In this context there is a great deal of skepticism concerning the role that will actually be assumed by this headquarters in the future.

This is consistent with the view in political circles that “Adviser Pak himself regards the success or failure of Nordpolitik as a win-or-lose gambit that will have a direct impact on the consolidation of the No Tae-u administration.” And speculation is rife that for this reason the North Policy cannot be shifted to official diplomatic channels.

A well-informed source in the ruling camp points out that “in the final analysis, Nordpolitik is directly related to North-South unification policy and we must appreciate the fact that Adviser Pak is operating uniquely as the South Korean side’s channel for high-level, behind-the-scenes dialogue on North-South issues.”

According to this source, it is known that on 21 January—when Hyundai Group Honorary Chairman Chong Chu-yong was visiting North Korea—Adviser Pak, accompanied by Kang Kun-taek, second secretary in charge of North Korean affairs in the Blue House Nordpolitik team, went via Tokyo to Singapore, where both North and South Korea have embassies, and stayed there for 7 days, from 24 to 31 January. During that time they were in secret contact with high-ranking North Korean diplomatic officials, and broad agreement was reached concerning coordination of the two sides’ positions aimed at achieving a North-South summit conference and on the three projects which Chairman Chong obtained agreement on [with the North Koreans]. This allegation was subsequently officially denied, but the fact that there had been a “government decision” unknown to the MFA and NUB, which are the competent organs in charge, not to mention the Prime Minister’s Office—despite the fact that the agenda of Chairman Chong’s North Korea visit came about as the result of prior consultations with the government—demonstrates clearly that there was a North-South dialogue with Adviser Pak as the conduit.

This source also explained that this was not the only time a direct, secret North-South contact had taken place, but that there have been several instances, including one in November of last year. The source noted that we are now

at the stage where the dialogue channel is so active that it can be opened any time there is a need for secret talks, and he emphasized the importance of the role Adviser Pak has been playing.

Countries With No Diplomatic Ties Are Special

One person who is active on the Adviser Pak team stresses the inevitability of secret contacts. Concerning the criticism of outsiders he says: “In the case of those countries with which we have no diplomatic ties, it is impossible to make the process public. And although supra-partisan diplomacy is desirable, a situation in which their side has only one channel while our side has a number of channels operating is not advisable from the point of view of efficiency.”

In addition, this person also explained the justification for the kind of secret-envoy diplomacy in which Adviser Pak is extensively involved: “In summit diplomacy we are still following the Kissinger style of the 1970’s. As far as a secret envoy is concerned, he should be a capable figure who is trusted and intimately connected with the supreme power-holder—like Kissinger in his time.”

On the other hand, one figure within the ruling camp displayed caution toward Adviser Pak’s solo performance: “Given the division of the country into North and South, the person promoting Nordpolitik is supposed to play the leading role, but for precisely this reason, the present hasty Nordpolitik should not be a win-or-lose gambit made so that one individual can achieve a political objective.”

It is also known that nowadays in relevant academic circles as well there has been a lively expression of individual opinions concerning the method of pursuing Nordpolitik.

One professor specializing in problems of Nordpolitik, who asked to remain anonymous, stated: “In a democratic era, open diplomacy is more desirable than secret diplomacy. This is because whatever the situation, Nordpolitik should not be used as a [political] breakthrough for a specific regime or so that benefit might redound to a specific person. Generally speaking, although we cannot completely deny the utility of secret envoys in summit-level diplomacy, open diplomacy integrating national consensus or wisdom is more desirable. We should not have a major diplomatic offensive that takes into consideration only the positions of persons in the regime.” In the case of countries with which we do not have diplomatic relations, secret contacts are inevitable up until the final stages. But once the impetus has been created, we must not open the way to conferring benefits on specific political parties or specific businessmen without getting a popular consensus on details directly related to the national interest.

In addition, with respect to diplomatic channels centering about specific secret envoys, he said: "In the initial stages there was no choice but to conduct [negotiations] through specific persons in the ruling camp. But now the international situation has greatly changed, so we have come to the point where we should concentrate [our efforts] more systematically." And he even pointed out: "It is more desirable for formal policy teams such as the North Policy Promotion Headquarters of the Foreign Ministry to play the leading role."

Medieval Royal Court Diplomacy

With the raising of this issue, academic circles have recently begun to call for creation of an organ that can more objectively hear public opinion concerning Nordpolitik. The debate on this issue reveals a critical attitude toward the [Blue House] Nordpolitik team, which up to now has not specifically revealed its composition.

At present about all that is known is that the Blue House Nordpolitik team that is guiding the North Policy is composed of some 10 working-level officials who have been detailed from the MFA, the Office of Legislation, and the NSP [Agency for National Security Planning]. It also has been disclosed that in addition to this team, the "Nordpolitik Research Institute"—which is known as Adviser Pak Chol-on's personal research center—has been given something of a support role.

Some 50-60 professors specializing in the East European bloc from various colleges and universities are participating in the Nordpolitik Research Institute, whose director is Democratic Justice Party (DJP) Assemblyman Na Chang-chu. Seminars are held two or three times a week, with seven or eight professors taking part in each session, according to an insider. He says that Adviser Pak frequently participates in that forum, but since Adviser Pak himself is more inclined to listen rather than participate in the discussions, his program of Nordpolitik is not directly discussed. Therefore, this insider even minimized the significance of the research institute, terming its role that of a "sarang" [the room in which the male head of the house entertains his male friends].

In addition, sources close to Adviser Pak reveal that "related measures meetings," organized according to Nordpolitik programs, are held in the Blue House and are attended by relevant ministers and vice ministers and working-level bureau directors. Specific details have never been disclosed, however.

With respect to this kind of secret diplomacy style, some in academic circles opine that "inasmuch as Nordpolitik should not be promoted in a medieval, royal court style—a free-wheeling, uneven style—we should form a collegial group that can systematically and comprehensively gather the opinions of academia, and this organ should be activated through a specific agency such as the MFA or the NUB."

Perhaps because of the recent multifarious criticism, sources close to Adviser Pak have been saying that they see a move to systematize Nordpolitik agencies within the government by institutionalizing "policy measure meetings" centering about the Blue House and participated in by ministers and working-level officials of the Prime Minister's office, MFA, NUB, and NSP.

North Economist Discusses 'Classless Society'

SK0604013489 Seoul THE KOREA HERALD

in English 6 Apr 89 pp 1, 3

[Text] PYONGYANG (AFP)—North Korea will become a "classless society" by 1993, once residual individualistic thinking in the countryside is eliminated, one of its leading economists has said.

Yi Ki-song, a member of Pyongyang's Academy of Social Sciences, said that 40 years after President Kim Il-song established his Communist government, two social classes still remain in the country: the workers and the peasants.

Unlike their urban counterparts, however, rural north Koreans have yet to fully embrace collective and mechanized production, Yi said in an interview Tuesday.

"When the peasants, since antiquity, have had the habit of working alone, it is very difficult to eliminate their individualistic way of doing things," he said.

But in recent years, he said, north Korea, guided by *chuche*—the "man-centered" ideology developed by Kim—has made big strides in overcoming rural individualism.

Asked how long it would be before a classless society is achieved, Yi replied: "In my personal opinion, three or four years."

East European diplomats speculate that a classless society—the ultimate achievement of a Communist system—could be proclaimed when Kim's Workers' Party of Korea holds its seventh congress in the early 1990s.

They recalled that the last party congress in 1980 declared that class differences between workers and intellectuals had been eliminated.

Little independent information is available about life in general in reclusive north Korea, and even less about its rural inhabitants.

The *chuche* idea, expounded in dozens of books by Kim and his son and heir-apparent, Kim Chong-il, calls for the continual education of those who do not fully understand its tenets.

Some Western human rights groups, such as the Washington-based Asia Watch, allege that as many as 150,000 people have been sent to prison camps in north Korea and that descendants of pre-revolution landlords are officially branded as "hostile" to the regime.

Government officials here reply that under *chuche*, man is supreme, so there is no human rights problem in north Korea.

They also lash out at incidents reported in south Korea of brutality by the security forces.

Yi, who like most people in Pyongyang proudly sports a Kim Il-song button on his lapel said north Korea had achieved self-sufficiency in agriculture, growing 10 million tons of produce in 1988 and hopes to produce 15 million tons by 1993.

Once the October harvest is in, he said, each peasant family member is entitled to keep an average of 300kg of rice for the following year's consumption.

Intellectuals and white-collar workers in the cities might get 255kg a year, and steel workers more than 365kg, distributed every two weeks at low prices heavily subsidized by the state, Yi said.

Yi said fully mechanized farming that would encourage collectivist thinking has yet to be totally established in the countryside.

Nevertheless, north Korea is reported to be exporting some of its grain production.

'Erroneous' U.S. Trade Complaints Pointed Out
SK0604021689 Seoul THE KOREA HERALD
in English 6 Apr 89 p 6

[Text] Many of the Korean trade practices that the U.S. private sector regards as unfair have been erroneously selected, an official from the Ministry of Trade and Industry said yesterday.

U.S. business organizations reported 21 Korean trade practices to the U.S. Trade Representative when they demanded March 24 that Korea be named an unfair trader.

But the ministry official said many of the practices have been abolished or improved.

One of the cases involves an allegation by an American auto parts association that the Korean government subsidizes the domestic industry while demanding a certain level of local content to foreign companies, he said.

However, the ministry official said, the Korean government provides no subsidy to Korean companies and imposes no regulation on foreign companies with regard to local content.

A U.S. electronics organization was quoted as saying imported electronics goods face high rates of a special excise tax ranging from 30 percent to 100 percent.

But the ministry official said the rates of the special excise tax are 25 percent or below.

Contrary to the organization's allegation, he said the Korean government does not demand any local content level to foreign investors in electronics.

The law which required 10 percent local content has been abolished, he added.

The Chamber of Commerce of the United States alleged foreign traders are discriminated against in Korea.

But any one can register as a Class A trader if he has 50 million won as capital, the ministry official said.

The average rate of customs duties on finished products which the chamber said hovers between 30 percent and 50 percent is actually 11.2 percent, he said.

The 21 Korean trade practices selected by the U.S. private sector as unfair involved the trade of 11 agricultural products, one food item, timber and industrial products.

The agricultural products are rice, almond, fruit juice, cherry, peach, grapefruit, avocado, kiwi, potato, orange and dried onion.

In addition to the private sector's complaints, the official said, the U.S. administration demands improvements in trade practices.

The trade practices mentioned by the U.S. administration involve import restrictions, standardization of industrial products, government purchases, export support, intellectual property rights, services and investment.

Korea will negotiate the issues with the United States at a working-level conference scheduled to be held in Washington April 11-13, he said.

Depending on the outcome of negotiations, he said, the U.S. administration will decide if it will designate Korea a priority foreign country engaged in unfair trade practices.

An initial report on priority foreign countries will be submitted to Congress April 30.

Then the U.S. administration will negotiate with the countries before making a final decision on them May 30.

The United States will retaliate against those countries if they do not remove their unfair trade practices in three years.

*** Report Rejects U.S. Call To Revalue Won**
41070080 Seoul CHUNGAN MAEKYONG in Korean
9 Feb 89 pp 68-69

[Text] Increasing attention is being paid to research results which indicate that U.S. pressure to revalue the won is unjustified.

The Trade Association of Korea recently issued its research report entitled "An Analysis of Changes in International Trade and Current Exchange Rates," which provided a theoretical criticism of U.S. pressure to revalue the won upward without limit.

A Refutation of the U.S. Claim for Balanced Exchange Rates

The Trade Association expressed serious concern about the adverse impact on the balance of payments of exporters if the United States continues to insist on revaluation of the won.

The report suggests that Korea's trade surplus, which has steadily increased since 1986, is a prominent cause of the continued U.S. insistence on revaluation of the won. A debate between Korea and the United States on exchange rates started in 1986 when Korea first began showing a trade surplus.

As a result of the debate on exchange rates with the United States, our government has been acquiescing to the unilateral U.S. demand, and the upward valuation of the won has become an unquestioned policy. The value of the won has gone up 30.1 percent between 1986, when there was a trade surplus for the first time, and the end of 1988.

In spite of this fact, the United States has shown no sign of being satisfied. On the contrary, as if to choke off our country's export industry, the United States has been increasing pressure for more exchange rate adjustment.

This move by the United States originates from a simplistic theory. The first premise advanced by the United States is that the basic principle of international trade, "a trade partner with a surplus is a formidable one," should be observed. The United States also believes that equity is lacking in the adjustment of exchange rates among surplus trade nations.

What the United States insists upon the most is the equitable balance in exchange rates among trade partners.

The United States contends that the valuation of the won for 1986 and 1987 lags behind those of other surplus trade partners. Based on this logic, the United States has applied steady pressure for revaluation.

Since the Plaza Meeting, held in September 1985 at the request of the United States, the currency of surplus trade partners has been strong. Between this conference on exchange rates among advanced nations and the end of

1988, the Japanese yen increased in value by 89.1 percent against the U.S. dollar. Over the same period of time, the West German Deutsche mark increased in value by 59.9 percent and the Taiwan won by 43.4 percent.

During this same period, the Korean won increased in value by 30.1 percent, yet the United States argues that compared to the size of valuation in Japan, West Germany, and Taiwan, there is an imbalance in the exchange rate of the Korean won.

It is worthy of special note that the Trade Association report provides a direct response to this argument. The Trade Association maintains that the pre-1985 era was a period of distorted international trade order which undervalued the currency of surplus trade nations, and it is, therefore, unjustified to apply pressure for a Korean won valuation based on the Plaza Meeting.

Surplus Trade Nations' Currency Undervalued Until 1985

Underscoring the basic efficacy of the variable exchange rate system, the Trade Association report points out that between 1973 and 1978 the currency of surplus nations (Japan and West Germany) was strong while the currency of deficit nations (the United States) was weak.

During the 5-year period from 1973-78, the U.S. dollar was devalued by 4.6 percent, consistent with the economic trend which showed the trade balance falling from a 0.1 percent of GNP surplus in 1973, to a 2.5-percent deficit in 1978. Applying the same analytic framework, the report shows that the 43.9-percent rise in the value of the Japanese yen during the same period was due to the trade balance increasing from 0.9 percent of GNP in 1973 to 2.5 percent in 1978. Similarly, the German Deutsche mark rose in value by 47.9 percent, reflecting a significant increase in its trade balance.

The Trade Association considers that the feedback function between exchange rates and the economy was paralyzed during the period from 1979 to February 1985; it was a period when the international trade order was out of balance.

In support of this position, the Trade Association points out that during this period the yen and Deutsche mark were weak while the U.S. dollar was strong, in spite of the fact that the trade surplus increased for Japan and West Germany while the trade deficit worsened for the United States. This period recorded the anomaly of the yen and Deutsche mark being devalued by 24.9 percent and 47.7 percent, respectively, despite increases in the trade surplus for Japan and West Germany.

After a period of adjustment in 1978 and 1979, the trend of a strong dollar regathered its momentum in the early 1980's because of the oil crisis, unrest in the Middle East, and instability in international monetary market. This accelerating trend of a strong dollar brought about a weakening of the competitiveness of U.S. industry, a

slowdown of investment in manufacturing, and an increased dependence on foreign imports, pushing the U.S. trade deficit to a record high of \$112.5 billion in 1984.

The solution to the deepening trade imbalance among advanced nations was thought to lie in the adjustment of exchange rates. It was against this backdrop that the Plaza Meeting of September 1985 was held. Despite an agreement among advanced nations for a weak dollar, the U.S. trade deficit has continued to snowball.

Increase of 30.1 Percent Is Excessive

According to the report, there are two main underlying reasons. The U.S. dollar was strong until 1985 although, concurrent with the worsening U.S. trade deficit, it should have been devalued starting in 1977. Reduced investment because of high interest rates weakened the competitiveness of U.S. industries.

Accordingly, the Trade Association maintains that the international trade order was distorted during the 1978-85 period and, as a result, the currency of surplus trade nations in 1985 was considerably undervalued. In contrast, the exchange rate for the won in 1985 has to be rated realistically, taking into account the fact that a positive trade balance was being reached for the first time.

The report goes on to argue that the currency comparison of the won to the yen, Deutsche mark, and others can be justified only if different baseline years are adopted since strong trade nations reached a point of trade balance at different times, Japan in 1962, Taiwan in 1970, and West Germany in 1951. This position is contrary to that of the United States.

The basic position of the Trade Association is that the reference year for considering exchange rates should be readjusted: the end of 1985 for the Korean won and the end of October 1978 for the Japanese yen and German Deutsche mark. Under this analytic framework, it is shown that between the end of October 1978 and 1988, the Japanese yen and the Taiwan won increased in value by 39.8 percent and 27.8 percent, respectively, while the German Deutsche mark was devalued by 2.4 percent.

The report concludes that compared with the increased currency values of the major surplus trading nations since 1978, the increase of 30.1 percent for the Korean won is excessive.

U.S. Firm in Masan Closing Due to Labor Problems
SK0504021889 Seoul THE KOREA HERALD
in English 5 Apr 89 p 3

[YONHAP Report]

[Text] Masan—A wholly U.S.-invested electronic company said it will close because of a serious labor dispute, becoming the first foreign firm to shut down in the Masan Free Export Zone.

"Korea TC Electronics" put on a bulletin board yesterday a notice saying that it could no longer operate because of its declining export competitiveness.

The firm had suspended operations since last Feb. 6 three days after management-labor negotiations on pay hikes and working conditions collapsed.

About 1,000 union members had since staged protests against the suspension of operations in and out of the company.

Management decided to pay wages for March and 30 days' lay-off allowances, a company spokesman said.

Established with \$1.5 million in 1972, the firm turned out telephones and electronic goods and exported them to Japan and the United States.

Businesses Welcome Direct Trade With USSR
SK0604013089 Seoul THE KOREA TIMES in English
6 Apr 89 p 8

[By staff reporter Choe Won-sok]

[Text] Korea and the Soviet Union have opened a new era in their relations as the Soviet Chamber of Commerce and Industry opened its trade office in Seoul Monday.

With the establishment of the Soviet trade office in Korea, the Korean Trade Promotion Corporation [KOTRA] will open its office in Moscow by the middle of this month, thus paving the way for expanding economic and trade exchanges between Korea and the Soviet Union despite the absence of diplomatic ties.

The Soviet Union is the third Communist country with which the nation has exchanged trade offices, following Hungary and Yugoslavia.

Needless to say, it is generally expected that the mutual opening of trade offices with the Soviet Union will lead to the expansion of personal and information exchanges in the fields of economics and trade between Korea and the Soviet Union in the days ahead.

Reflecting the general expectations, Yi Son-ki, president of KOTRA, said that economic organizations between the two countries would have freer and more frequent contacts.

As for the expansion of economic and trade relations with the Communist giant, a 32-member mission, led by Yu Chang-sun, chairman of the Federation of Korean Industries, will visit the Soviet Union April 14-25.

They are scheduled to study the feasibility of participating in Siberian development projects and other projects by Korean businesses concerns as requested by the Soviet Union.

On the other hand, an exhibition of Korean products will be staged in Moscow from July 5.

With the exchange of trade offices, the Soviet Union is expected to call upon Korea to actively participate in its various economic development projects.

Sources at KOTRA said that the Soviet Union has called for joint ventures with Korean businesses for developing natural resources and the construction of hotels and various manufacturing facilities.

However, they predicted that the Soviet Union would increase their demands for Korean investments in its development projects.

As a result, a substantial number of domestic enterprises will advance into the Communist country.

The Soviet Union has called upon Korea businesses since 1987 to participate in the development of its Far East region as Japanese enterprises showed reluctance to do so.

On the other hand, domestic business concerns have shown sharp interest in Soviet economic development projects in consideration of diversifying their export markets, securing sufficient raw materials and opening direct trade with the Soviet Union.

In 1987, the nation's trade with the Soviet Union amounted to \$150.54 million with \$17.41 million in exports and \$133.13 million in imports. The comparative figures for 1986 was \$80.25 million.

Last year, the nation's exports to the Soviet Union rose to \$99.6 million, while imports from the USSR were \$158.35 million, revealing a remarkable increase in trade between the two countries in recent years.

Major items which are currently shipped to the Communist country generally comprise rubber belts, electronics, steel, footwear, garments, tires and containers.

Whereas the principle goods which are imported from the Soviet Union are mostly such raw materials as nickel, aluminum, cotton, pulp, synthetic rubber, coal and furs.

This year, exports to the Soviet Union are set at \$150 million in contrast with \$200 million in imports.

Despite a remarkable increase in trade with the Soviet Union, many business experts said that it is too soon to expect the realization of substantial joint ventures in the days ahead.

First of all, Korea and the Soviet Union must settle various problems including the signing of a pact guaranteeing investments to facilitate the establishment of joint ventures.

For the speedy establishment of joint ventures with Korea, the Soviet Union wants to empower trade offices for handling consular affairs such as the issuance of entry visas.

But the government turned down the Soviet proposal on the ground that economic and trade exchanges with the Communist country are carried out on a private level in the principle of separating economy and politics.

Regardless of the government's position, business concerns are likely to enhance their efforts to set up joint ventures with the Soviet Union, to invest and to participate in Siberian development projects, encouraged by the opening of direct trade with the Communist giant with the exchange of trade offices.

Direct Shipping With China Delayed Until May
SK0604084789 Seoul YONHAP in English 0835 GMT 6 Apr 89

[Text] Seoul, April 6 (YONHAP)—The Korea-China direct shipping route will not open until May, one month behind schedule, because of a lack of vessels and an excess of red tape in registering the joint-venture shipping company, the Korea Maritime and Port Administration (KMPA) said Thursday.

Korea's Dongnama Shipping Co. agreed with China's Sinotrans last August to set up a company on a 50-50 basis to launch regular services.

The Korean Government approved the plan in February and Dongnama and Sinotrans began preparations for the operation, which was slated to begin in April.

But Sinokor Ltd., the joint-venture firm, has neither secured a vessel nor finished registration in Hong Kong, KMPA officials said.

Since Korea and China have no diplomatic ties, vessels on the direct line must fly the flag of a third country.

The registration process is likely to be completed by April 15 and a vessel will be available in mid-May at the earliest, the officials said.

Sinokor will operate a 200-250 teu containership for the first six months, and will add more vessels according to cargo expansion.

The direct line will link the Korean ports of Pusan and Inchon with the Chinese ports of Shanghai and Tianjin.

Films From Communist Countries Shown in Seoul
*SK0504025389 Seoul YONHAP in English 0228 GMT
5 Apr 89*

[By Kim Hyong-kun]

[Text] Seoul, April 5 (OANA-YONHAP)—“Made in USSR” announce the bold letters painted on the billboard outside a South Korean cinema where “Anna Karenina” is showing.

A queue winds its way in front of the box office as curious capitalist filmgoers flock to see firsthand what a Russian film looks like.

“It deserves to be called an innovation. Even a couple of years ago, foreign films meant American, Hong Kong, or French films,” says a waiting customer.

It was impossible to see a film from a communist nation in Korea until last July, when in a dramatic turnaround Seoul announced a “northern policy” of making friends with former enemies—the communist countries.

Last year, the first three Soviet films were shown: “Moscow Does Not Believe in Tears,” “War and Peace” and “Tchaikovsky.”

They proved very popular, in part because of an Olympic games induced interest in things Russian.

“Though less sophisticated and more melodramatic, I could utterly sympathize with Russian humanism,” a student says of “Moscow Does Not Believe in Tears.”

About 20 Soviet films are coming to Korean cinemas this year. Among them are “Come and See,” “The Detached Mission,” “Station for Two” and nine films by the pioneer director Sergei M. Eisenstein, who died in 1948 at the age of 50, including “The Battleship Potemkin,” “Old and New” and “Ivan the Terrible.”

Films from Eastern Europe are also finding a niche in the hearts of Korean movie fans.

Encouraged by the successful debut of the Yugoslavian film “When Father Was on Business” late last year, the Czechoslovakian film “Spring in Prague” is scheduled to reach the silver screen in May.

Chinese films will join the socialist film parade with over 10 films, including “Red Sorghum,” to be shown here this year.

West European films include Germany’s “Tin Drum” and Charlie Chaplin’s greats “Modern Times” and “The Great Dictator” with Denmark’s “Pelle the Conqueror” and Germany’s “Wings of Desire” to be released soon.

The Turkish film “Yol” came out early this year and coming up are “Official Story,” “Gandhi” and “A World Apart.”

“Yol” is about five prisoners who are released on parole but suffer inhumane treatment at the hands of the military government and social customs.

“Official Story” dwells on the Argentine military government’s brutal suppression of human rights.

“A World Apart” is about apartheid in South Africa.

South Koreans, after nearly three decades under authoritarian rule, find much in common with those pictures, many of which were under a government embargo until very recently for spreading “unhealthy ideas.”

The new-found variety at Korean cinemas has had a healthy effect on the dominance of U.S.-made films in the domestic market.

American films accounted for more than 70 percent of imported movies until 1988, when the figure dropped to 43 percent, or 102 of the 234 foreign-made films shown here.

The decline was also self-inflicted. Some big U.S. film-makers would not sell to Korean distributors, seeking to advance into the Korean market through direct sales.

United International Pictures, an amalgam of Metro Goldwyn Mayer, United Artists, Universal, and Paramount for overseas film distribution, started business in Seoul early last year.

Twentieth Century Fox established a Seoul office last December and the other U.S. majors are expected to follow suit soon.

Their future looks dim, however, unless they quickly recognize their customers.

“Many filmgoers are sick and tired of Hollywood-style films, centering around violence and sex, though the business is still lucrative here,” says a local film critic.

Introducing inexpensive films from communist and Third World nations is less risky for the weakly-financed film importers that have sprung up—number has jumped to 94 from 20—since film importation was liberalized in 1986.

The average price of the 176 foreign films released in 1988 was 120,000 dollars, according to statistics compiled by Motion Picture Producers’ Association. This is in sharp contrast to the 2 million dollars paid for “Rambo III.”

Many champions of international film festivals have been deserted in warehouses because they were thought "unprofitable." But now they are being dusted off and returned to their rightful place in the cinemas as a new wave of sophisticated audiences demands quality fare, says a local film distributor.

"Throughout the 50 years of Korean filmmaking, the market situation has never been like this. Customers can no longer be shoved into theaters by business-minded film industrialists," he says.

Foreign Investment Concentrated in Service Sector
SK0604030289 Seoul YONHAP in English 0229 GMT
6 Apr 89

[Text] Seoul, April 6 (OANA-YONHAP)—Foreign investment in South Korea is so small that it averages 2.16 million dollars per project, government sources said Thursday.

From 1962, when foreign investment began, to January this year, 6.05 billion dollars was invested in 2,782 projects.

The service sector took the biggest share at 6.3 million dollars, followed by the manufacturing sector with 1.65 million dollars, agriculture and stockbreeding with 417,000 dollars, and mining with 306,000 dollars.

The service sector is biased because of investment in hotels of 1.58 billion dollars in 74 projects, averaging 21.34 million dollars each.

By nations, the United States comes first with a per case tally of 2.58 million dollars and Japan comes last at 1.74 million dollars.

Japan, however, accounted for 50.7 percent of all foreign investment, the United States was second at 28.3 percent, followed by Hong Kong at 3.2 percent and West Germany fourth at 2.3 percent.

Central Bank To Loan ESAF \$85 Million
SK0104012489 Seoul YONHAP in English 0114 GMT
1 Apr 89

[Text] Seoul, April 1 (YONHAP)—South Korea will contribute 85 million dollars to the enhanced structural adjustment facility (ESAF) of the International Monetary Fund to help poor developing countries, the Finance Ministry said Saturday.

The Bank of Korea will make the loan in the form of 6,500 SDRS (special drawing rights) worth 85 million dollars at an annual interest rate of 0.5 percent over 10 years after a five-year grace period, it said.

ESAF was established in 1987 to extend financial support to poor developing countries to encourage their economic growth.

Twenty-seven countries, including the United States and Japan, contribute to ESAF, which re loans the money to 62 nations with per capita income of less than 790 dollars.

Kim Tae-chung, Kim Yong-sam Feud Gets 'Nasty'
SK0604015089 Seoul THE KOREA HERALD
in English 6 Apr 89 p 2

["News Analysis" by staff reporter Kang Song-chol:
"Kim Tae- chung, Kim Yong-sam Embroiled Again in
Feuding, Old Rivalry"]

[Text] Opposition leaders Kim Tae-chung and Kim Yong-sam have recently been accusing each other of "dirty collusion" with the ruling camp, and their feuding is further complicating the political situation.

Recent developments have given the impression that bitter feelings between the two most prominent opposition figures have reached a point where they can hardly be reconciled.

Their rivalry is increasingly assuming the aspects of a nasty fight, with their royal followers calling them names and competing to disclose sore points of the other side.

The unfriendly relations between the two Kims are delaying the process of resolving bad legacies of former President Chon Tu-hwan's administration, and making it difficult for the ruling and opposition parties to jointly cope with the controversy over dissident Mun Ik-hwan's visit to Pyongyang.

The two Kims have a long history of rivalry and competition. Both struggled against the dictatorial regimes of Pak Chong-hui and Chon, but they always had to vie against each other over the opposition hegemony.

They were subjected to harsh criticism for failing to unite in the 1987 presidential election in which President No Tae-u emerged as the winner.

Both once stepped down from the presidency of their parties amidst mounting calls for them to retire from political frontlines. But they emerged again as influential political leaders after the general election in April last year, which gave the opposition a combined majority in the National Assembly.

Out of their common need to vie against President No's government, the two Kims had managed to maintain cooperative ties since the general election. The relationship began to sour, however, over the controversial issue of No's midterm appraisal.

Their relations have been further deteriorated amidst disputes over the Rev. Mun's secret visit to the north.

They are also exchanging accusations over the reemerging question of whether to push for a constitutional revision to adopt a parliamentary cabinet system.

In the wake of President No's announcement March 20 of his decision to call off an interim test, a vote that had been widely expected to be held in the form of a national referendum, Kim Yong-sam's Reunification Democratic Party [RDP] charged Kim Tae-chung's Party for Peace and Democracy [PPD] with conspiring with the ruling camp.

Alleging that Kim Tae-chung struck some secret political deals with No, RDP officials accused the PPD of "selling out the opposition to the ruling camp."

Kim Yong-sam, who pledged a no-confidence campaign against No, is said to have felt extremely betrayed by the attitude of the other Kim, who favored postponing the interim test.

Kim Yong-sam argued that Kim Tae-chung violated the agreement reached among the opposition leaders, including themselves, to push for a vote of confidence for No's interim appraisal.

Kim Tae-chung described the postponement of the mid-term evaluation as a "political art work." He defended his position by contending that a national referendum linked with No's presidency would have triggered enormous social and political confusion.

The PPD did not remain idle while it was attacked by the RDP. Calling Kim Yong-sam "a man sick with greed to become president," PPD lawmakers accused the RDP of irresponsibly catering to public whims.

They argued that RDP lawmakers called for a confidence vote, though they favored calling off No's interim test at heart.

The two opposition parties came to engage in nastier argument after Kim Tae-chung suddenly changed his position and expressed willingness to discuss a cabinet system.

RDP officials accused Kim of playing "filthy tricks" and argued that his change of position is proof that he struck a secret political deal with President No.

They contended that President No and Kim Tae-chung are joining hands against Kim Yong-sam.

PPD officials, meanwhile, accused the RDP of spreading ungrounded rumors. Some even alleged that the real "perpetrator" in the ruling party-opposition collaboration is the RDP.

The two parties also revealed their uncomfortable relations in dealing with the dispute over Mun's visit to Pyongyang.

RDP officials gave reporters a tip-off that dissident Mun met in advance with PPD leader Kim Tae-chung and that they exchanged views on Mun's plan to visit the north.

The tip-off put the PPD in a difficult position, and the PPD had to issue a statement to clear public misgivings.

Kim Chong-pil Criticizes PPD-RDP Feud

SK0604005889 Seoul THE KOREA TIMES in English
6 Apr 89 p 2

[From the "Press Pocket" Column: "Happening"]

[Text] Kim Chong-pil, president of the New Democratic Republican Party, is critical of the Party for Peace and Democracy [PPD] and the Reunification Democratic Party [RDP], accusing them of finding fault with each other.

Meeting with the press, he said the opposition camp should not loosen its duty of checking the government, claiming that it is liable to go wild like an unbridled ox.

Now is not the time for the two opposition parties to start roaring at each other showing their teeth.

As to the illegal visit to North Korea by Mun, Kim said it is a kind of happening. But the nation has been rocked by his visit.

If the nation does not correct its short temper and stop itself from boiling over so easily, no genuine democratic development can be expected, he lamented.

He deplored the absence of politics just because of the aftershock of Mun's visit, which he said is not a matter for the nation to make so much ado about.

Daily Assesses Reshuffle of Key Army Posts

SK0604080189 Seoul CHOSON ILBO in Korean
29 Mar 89 p 2

[Article by reporter Ham Yong-chun]

[Text] A reshuffle of top-level Army posts has recently taken place. Thus, the President No Tae-u system, which replaces the former President Chon Tu-hwan line, has been earnestly consolidated.

We say this because contrary to expectations, not only corps commanders, who are lieutenant generals, but also four-star generals were reshuffled and almost all of the generals who hold key posts and who were appointed by former President Chon have been replaced by the followers of President No.

The decline of the so-called Chon line is simply shown in the fact that Lieutenant General Choe Pyong-uk, a graduate of the 16th class of the Korean Military Academy [KMA], was retired and that Lieutenant General Kim Chin-yong, a graduate of the 17th class of the KMA, was appointed commander of the Military Training and Indoctrination Command.

In December 1987, just before the launch of the Sixth Republic, those who were recognized by themselves and others as Chon's followers were appointed commanders of the Defense Security Command and the Capital Garrison Command by then President Chon.

In connection with this, some circles speculated that former President Chon had appointed them to their posts in order to keep the President No system in check.

Not taking into account his opinion on the matter, Commander of the Capital Garrison Command Kim has been considered a representative "hard-liner" in the military. Major General Ku Chang-hoe, a graduate of the 18th class of the KMA, a pure field army commander and a close friend of President No, was promoted to the rank of lieutenant general and appointed commander of the Capital Garrison Command, often called the president's royal guards. Vice Chief of Staff of the Army Yi Chin-sam, a graduate of the 15th class of the KMA who has been considered closest to President No, was promoted to the rank of four-star general and commander of an army that defends half of the truce line. Therefore, this can be said to be a reshuffle designed for President No to consolidate a "rule of his own."

Defense Security Command Commander Cho Nam-pung, a graduate of the 18th class of the KMA who was appointed to his current post last December, was promoted to the rank of lieutenant general without being reassigned. This can be construed to mean that President No intends to exercise firm control over the military by reinstating the Defense Security Command to its original function, which he weakened when the Sixth Republic was inaugurated.

President No has maintained a reserved attitude toward the military posts reshuffle since the Sixth Republic was inaugurated. He only undertook small-scale regular reshuffles, including the reassignment of commanders whose terms had expired. This may be because of actual circumstances in which it was difficult for him to reshuffle all of the posts which former President Chon filled with his own people just before he left office and also because of the fact that terms must be considered in reshuffling major posts.

People affiliated with the military believe that he undertook the current reshuffle because his "confidence," which he has earned in the 1 year since his swearing in, and his "realistic considerations" to consolidate unity in the military by actively tackling the rapidly changing political situation and by actively tackling the hard-line

trend of the military, which is represented by the recent controversy over KMA Superintendent Min Pyong-ton, coincided with the expiry of the terms of some key officers.

Striking in this reshuffle is the fact that KMA Superintendent Min was retired, instead of being reassigned. This can be viewed as reflecting President No's perspective on the controversy which occurred at the KMA commissioning ceremony.

Many pure field army generals who have no political affiliation were assigned to major posts. It was learned after the reshuffle that a fair regional distribution was also considered as evidenced by the fact that generals from South Chungchong Province and Honam regions [Kwangju City and North and South Cholla Provinces] rose to the surface.

The president's perspective can also be seen in the fact that General Chong Ho-kun, the most senior in the military and a graduate of Officers Candidate School, who has been transferred to the Ministry of National Defense, is most likely to be appointed chairman of the Joint Chiefs of Staff and that many of the generals who had not been assigned to key posts during the President Chon Tu-hwan era were promoted or appointed commanders of frontline corps.

Parties Send Teams To Ulsan on Hyundai Case
SK0604014089 Seoul THE KOREA HERALD
in English 6 Apr 89 p 1

[Text] Political parties yesterday began efforts to end the strike at the Hyundai Heavy Industries Co. shipyard in Ulsan amid widespread speculation that the government may declare semimartial law in the region.

The ruling Democratic Justice Party [DJP], the opposition Party for Peace and Democracy [PPD] and the Reunification Democratic Party [RDP] dispatched fact-finding missions yesterday to the shipyard which has been paralyzed for over six months.

The three-member DJP team, led by Rep. Kim Tae-ho, will stay in Ulsan for several days, and, based on their report, the party will seek solutions, DJP spokesman Pak Hui-tae said.

Tuesday and Wednesday, key ruling party officials and security-related cabinet members had a series of talks and reportedly agreed to again send police into the shipyard at an early date to end the prolonged strike.

But the party spokesman would not confirm this.

Pak, however, flatly denied that the government has considered imposing of 'uisuryong,' or garrison law, has never been studied or mentioned inside either the ruling party or the government," Pak told reporters.

Under "uisuryong," troops are deployed to help police maintain law and order, and a night curfew can be imposed.

Pak, in a strong-worded message, urged both labor and management to make an effort to end the strike.

The spokesman warned dissidents and student activists to immediately leave the shipyard area.

Over 2,000 dissidents and students are in Ulsan leading the violent strike, dimming the possibility of a peaceful solution, according to the ruling party.

Thousands of shipyard workers, their family members and dissidents and student activists have battled tear gas-firing riot police for weeks, hurling homemade petrol bombs and rocks.

Cho Chong-sok, director of the National Police Headquarters, has said that riot police will stay in the shipyard area until the violent labor protests are completely put down.

If riot police are sent into the yard again, a ruling party official said, the number of police mobilized will be by far greater than last time.

The largest opposition PPD led by Kim Tae-chung sent a four-man fact-finding mission, headed by Chin Sunpom, to Ulsan yesterday. The other members include Reps. Yi Hae-chan and Yang Song-u.

Announcing dispatch of the mission, PPD spokesman Yi Sang-su called for an extraordinary meeting of the National Assembly to discuss the Hyundai strike.

Yi also said that the deteriorating Hyundai situation proved the problem cannot be solved through the use of force.

The No. 2 opposition RDP yesterday dispatched a team led by vice president Hwang Myong-su to discuss solutions with the company, labor and the local administration.

Political Parties Seek To Settle Hyundai Case
SK0604005489 Seoul THE KOREA TIMES in English
6 Apr 89 p 2

[Text] Ruling and opposition parties began to take action to help settle the worsening labor dispute of Hyundai Heavy Industries in Ulsan as tension is mounting for another showdown between riot police and unyielding striking unionists in the southeastern industrial city.

The government's determination to take harsh legal action against Rev. Mun Ik-wan for his unauthorized visit to North Korea and the all-out response by dissident forces and some opposition groups has added confusion.

Local reports said that the Hyundai labor conflict is increasingly changing into a "proxy war" between police forces and dissident forces supporting the striking unionists.

After hundreds of striking union members were arrested by riot police last week, union members continued their demonstrations at the Hyundai company and in downtown streets.

As the Hyundai labor dispute entered into a serious phase, both the ruling and two major opposition parties sent fact-finding missions to the scene of the labor dispute yesterday.

The opposition demanded an immediate end to the exercise of the government's power in putting down the demonstration, while the government party called for the withdrawal of "all third parties" intervening in the Hyundai labor dispute.

It also called upon Hyundai owner Chong Chu-yong to come out for direct negotiations with the labor union.

Thousands of riot police are stationed there to put down the fierce demonstrations and the government has already declared its determination to crack down on "illegal" labor disputes.

The government's declaration of a tough stance must be designed to prevent the spread of labor disputes to other businesses across the nation in April and May, the period of annual negotiations between labor and management over wage hikes.

Striking trade union leaders claim that the Hyundai management has shown insincerity, taking a high-handed policy in negotiations with the trade union, taking advantage of the resolute attitude of the government against illegal labor disputes.

The Hyundai management and the ruling camp say that the intervention of third parties including workers from other companies and dissident forces is aggravating the situation.

The Democratic Justice Party [DJP] and the administration concluded in a series of consultations that the Hyundai incident has reached "a dangerous phase."

A senior member of the government party once hinted that the government may consider issuing garrison decrees in the Ulsan area, if the situation aggravates, but a senior administration official and DJP spokesman Pak Hui-tae ruled out the possibility of such an action yesterday.

Police Discuss Military Option in Hyundai Strike
SK0604033289 Seoul YONHAP in English 0309 GMT
6 Apr 89

[Text] Seoul, April 6 (YONHAP)—Police are carefully weighing the options, from military intervention to another massive raid, to end the grueling battle with militant workers of Hyundai Heavy Industries in the southeastern industrial city of Ulsan.

Concerned that further deterioration of the situation would be the likely result of a second raid, police are withholding a decision and discussing with the government the imposition of garrison decree.

On Wednesday, Director General Cho Chong-sok of the National Police Headquarters denied press reports that the government had considered imposing garrison law, which allows it to deploy troops to help police maintain public order.

Cho said police have the capability to subdue the unrest, which he said will fade away as time goes by.

Entering the eighth day of turmoil Thursday, however, police said that without a dramatic compromise between Hyundai and its striking workers, the demonstrations will become more violent and get further out of control.

Police report more than 600 radical students and dissidents have joined the workers and are hampering police efforts to subdue the unrest.

Also fueling the unrest are some 2,000 workers from other Hyundai companies in Ulsan who are staging violent demonstrations of their own or joining the shipyard workers in their battles with police, according to the reports.

On Tuesday and Wednesday, thousands of workers hurling rocks and firebombs continued to clash with police, demanding the release of arrested workers and the withdrawal of police troops.

Police said 27 workers and citizens and 220 policemen have been injured in the battles, which have raged since some 10,000 riot police troops stormed into the Hyundai Heavy Industries to put an end to a 109-day wildcat strike.

Firebombs thrown by workers have burnt two police stations, one private house, and 38 automobiles during the week, according to the police.

A forest fire started by firebombs destroyed some 1,600 trees.

Police said they have fired nearly 6,500 rounds of tear gas.

Hallim University Suspends Classes Indefinitely
SK0504030289 Seoul THE KOREA TIMES in English
5 Apr 89 p 3

[Text] Chunchon, Kangwon-to—Hallim University here yesterday became the nation's first higher-learning institution this year to go into an indefinite suspension.

The private university has been paralyzed by protracted student protests against tuition hike since January.

During the suspension, which the school said would be brief, all undergraduate classes will remain closed. Students will not be allowed onto the campus and use any facilities, a school spokesman said.

Students have also called for the resignation of president Hyon Sung-chong and occupied some administration offices since last month.

Businessman Sentenced in Northrop Case
SK0504022289 Seoul THE KOREA HERALD
in English 5 Apr 89 p 3

[Text] Yi Min-ha, former chairman of the Tongyang Express Group, was sentenced to one year in jail for violation of the Foreign Exchange Control Law yesterday.

Judge Kim Sang-kyu at the Seoul District Court ruled that Yi illegally deposited \$3.5 million in the Tokyo branch of a Hong Kong Bank.

The money was part of the \$6.25 million Yi's brother-in-law Pak Chong-kyu allegedly received from the U.S. defense company Northrop to be used for promotion of sales of Northrop-made jet fighters. Pak, chief bodyguard of the late President Pak Chong-hui, died of cancer in December 1985.

Yi, 58, admitted to the charge that he breached the Foreign Exchange Control Law.

DJP Seeks Coalition Over Local Elections
SK0604021289 Seoul THE KOREA HERALD
in English 6 Apr 89 p 2

[From the "Out and About" column: "Partial Coalition"]

[Text] Rep. Kim Yun-hwan, floor leader of the ruling party [Democratic Justice Party—DJP] Tuesday said that his party is considering what he described as a "partial coalition" with one or two opposition parties for forthcoming elections of the provincial government heads.

Citing Japan as an example, Kim said that mayors and governors of the provincial cities and governments could be elected through party to party coalitions under a "joint recommended candidate" formula.

"A partial coalition in the local autonomy system is possible and desirable as well to help ease regional antagonism, in particular," Kim said, disclosing that New Democratic Republican Party is most aggressive to such a move. Joint recommended candidate refers to a candidate for a local government seat who is jointly recommended by two or three political parties under a rearranged political dealing.

RDP Opposes Plan

SK0604015289 Seoul THE KOREA HERALD
in English 6 Apr 89 p 2

[Text] The opposition Reunification Democratic Party [RDP] yesterday opposed the reported joint nomination of candidates for local autonomy elections.

Denouncing the "three-party alliance" involving the ruling Democratic Justice Party [DJP], the Party for Peace and Democracy [PPD] and the New Democratic Republican Party, RDP spokesman Yi In-che said his party "is not considering the joint nomination idea at all."

The three parties recently floated a trial balloon favoring joint nomination of candidates for local autonomy elections, expected early next year, saying it would help ease regional animosity and prevent "regional political parties."

PPD leader Kim Tae-chung said Tuesday that he would consider joint nomination of candidates for chiefs of local autonomy organs and members of local congresses along with one or two other political parties from region to region.

DJP floor leader Kim Yun-hwan strongly hinted yesterday that the ruling party would push joint nomination of candidates for chiefs of local autonomy organs among "conservative parties."

But he said each party are to nominate their own candidates for election of members of local autonomy congresses.

Political sources said the RDP was quite displeased that the three parties left it out in the cold regarding the joint nomination and the shelved interim test of public confidence in No Tae-u's government.

DJP Wants Worker-Dissident Alliance Countered

SK0504024689 Seoul THE KOREA TIMES in English
5 Apr 89 p 2

[Text] The government party yesterday called upon the administration to take measures to prevent a "general strike" possibly to be organized by an incipient radical nationwide labor federation in alliance with students and dissident forces.

Informed source in the ruling camp did not rule out the possibility that the government will issue garrison decrees in Ulsan and other major scenes of labor disputes, if current labor disputes develop "uncontrollably."

Members of the Democratic Justice Party's [DJP] Central Executive Council expressed "deep concern" over the repercussions of the worsening labor disputes in Hyundai companies in Ulsan and other key industries across the nation.

They feared that labor struggle is increasingly changing into a political campaign against the incumbent administration, with the formation of an alliance with some radical students and dissident forces in particular.

The DJP also issued a strong call for management at key businesses caught up in labor disputes to make sincere efforts for the peaceful settlement of labor conflicts.

The emergency meeting of the top decision-making body of the party was called to discuss how to deal with the labor disputes, which show no sign of calming down, and the aftermath of the unauthorized visit of Rev. Mun Ik-hwan to North Korea.

Secretary general Yi Chong-chan reported to the council meeting that the current labor disputes have brought about weakening of the willingness of businessmen to invest in the country, among other serious problems.

As a result, more than 100 businesses "left" the country for activities abroad during 1988 alone. The number is almost equivalent to that of the total number of businesses who advanced into foreign countries in the 15 years before, according to Yi.

The DJP secretary general added that some 150 businesses are expected to follow suit this year.

"Workers no longer appear to be demanding bread or fair distribution, but their struggle increasingly takes on the form of a political struggle in alliance with dissident forces to topple the current (political) system," DJP secretary general Yi was quoted as saying.

He also reported that the "Chonnohyop [National Labor Movement Council]," a projected radical federation of labor unions, is moving to stage a general strike on May 1, which it unilaterally declared a new "Labor Day."

The DJP will call Labor Minister Chang Yong-chol and Culture-Information Minister Choe Pyong-yol for a consultation over the labor disputes and the alliance between workers and radical students.

Council members claimed that some 2,000 members of Chonnohyop and "Chondaehyop [National Council of University Student Representatives]," or the federation

of radical students are joining and wirepulling the workers' street demonstrations in the southeastern industrial city of Ulsan, after hundreds of striking union members of Hyundai companies were arrested last week.

The joint struggle between workers and students are likely to spread into other areas, the DJP senior members feared, unless proper steps are taken by the administration.

In particular, they warned that the joint struggle between workers and students and dissident forces against the government will be fiercer when the government arrests Rev. Mun for his illegal visit to Pyongyang.

*** Finance Industry Restructuring Discussed**
41070054 Seoul CHUNGANG ILBO in Korean
12 Jan 89 p 5

[Text] The role of finance under the official "growth first" economy policy has been that of a mere servant in fulfilling the goals set by the government.

Under pressure from the government, banks have been providing significant funds only to government-approved industries and businesses. This situation has created abnormalities within the finance industry, and as a result the reorganization of the finance industry is being heatedly discussed.

Government authorities having realized the importance of this problem established the Finance Industry Development Council back in 1982 and it has been examining the problem of finance industry development and reorganization. But to date there have been almost no results.

"Even though the finance authorities and the financial institutions have shown great interest in reorganizing the finance industry, the essence of which is control of business jurisdictions, the work is not being promoted well because it directly affects the interests of financial institutions," says Yi Pyong-kuk, Executive Director of the Chohung Bank.

The power over jurisdiction between the first and second types of banks is in mutual conflict, and differences exist even within the same category of banks. The opinions of commercial banks and special banks within the first category differ, as do those of the short-term finance companies, stock markets, insurance companies, investment trusts, and mutual credit unions in the second category. Each is looking out for their own interests, which has resulted in no progress.

Furthermore, the current financial environment has encouraged the entrenchment of the established interest and stifled competition among financial institutions. This is another reason that the financial industry has fallen behind.

But now the industry can no longer remain in such a passive business environment. Above all, the tendency toward internationalization and the openness of the finance industry will not allow this. There is no doubt that the interest rate deregulation measures initiated on 5 December of last year will play an important role in accelerating future finance industry reorganization.

This is the reason the finance industry reorganization has become an important issue this year. The government authorities will not remain passive any longer. The government's determination regarding finance industry reorganization has already become apparent in its control over the interest rate system for customer deposits between the first and second category institutions, which became effective along with measures to deregulate loan interest rates.

In only 1 month since the beginning of interest rate controls on deposits, bank receipts have increased to 2.8 trillion won while short-term finance companies' receipts decreased by 400 billion won. This appears to have been an attempt to rectify the second bank category, which had become excessively large. In the same vein, certificates of deposit and free deposits by businesses have been allowed in order that the banks could absorb business reserve funds. "With this measure, short-term finance companies are having more difficulties doing business than ever before, and such a change forces the short-term finance companies to search for new financial business" says Ho Mun-su, President of Seoul Investment Finance Company.

Consequently, the finance industry reorganization has already begun, but instead of the direct and uniform methods used by the government in the past, it is being done by indirect inducement.

What draws our attention is the pace at which the reorganization movement, which began invisibly last year, would proceed this year, and what changes would occur. Facts noted thus far indicate that the financial sector will have to experience many changes this year and complete many tasks. In the bank category, some special banks will become privately managed, and many banks will be established.

As the Korea Exchange Bank loses its special character as a foreign exchange specialist, it will be transformed into an ordinary bank. Also, the Citizen's Bank and the Korea Electric company both will offer stock to the public.

Along with this, to strengthen financial support for small and medium industry, the Second Small and Medium Industry Bank and the Second Credit Fund will be established. Meanwhile, with active economic exchange between North and South Korea, the North Korean Five Provinces Bank will also be established this year.

On the movement of the banks, Sin Pok-yong, assistant to the Deputy Director of the Bank Inspection Board, predicts: "Interest rate deregulation will create real competition among the banks, and the banks will expand their activity to such areas as new product development. The newly established banks will absorb a large number of excess employees, which has been a chronic problem in the banking industry."

Short-term finance companies are also expected to undergo many changes. Due to interest rate deregulation, more indirect methods of currency management have evolved, and manipulation of the public market will appear as the principal method of currency management. This will require special dealers in the call market, and fierce competition will develop for their services.

There presently are 22 short-term finance companies in Seoul, including 6 general finance companies. Sixteen others exist throughout the rest of the country, totaling 38. But their markets can only shrink compared to the past, when the direct financial market becomes active and the banks accumulated surplus funds. Accordingly, Hanyang, Hanil, Tong-a, and other short-term finance companies are redirecting their focus to the life insurance business and have applied to the government to become life insurance companies. Yun Yong-chong, director of public affairs for the Investment Finance Association, opined that some short-term finance companies might negotiate a long-term merger with a local bank or become a local general finance company.

Kim Si-tam, director of international finance at the Bank of Korea said that investment trust companies and stock companies should maintain the present system, which separates stock investment trusts from the stock market and to expand public ownership of stock and open the capital market, short-term finance companies should change into investment trust companies.

The finance industry reorganization issue can only be resolved slowly, because financial institutions have different circumstances and, even if they did not, they perceive the situation differently.

Farmers Compensation Slated for Market Losses
SK0504010089 Seoul THE KOREA HERALD
in English 5 Apr 89 p 1

[By staff reporter Yi Kap-su]

[Text] Yesan, Chungchongnam-to—The government will pay 500 billion won through 1993 for programs to compensate farmers for losses they may suffer from the opening of the farm product market, Deputy Prime Minister Chon Sun said yesterday.

Meeting community leaders here the top economic administrator said the government will make up for farmers' losses caused directly by the market opening, while facilitating restructuring of the farming sector.

Cho's remarks came at a time when the government is about to announce a three-year timetable for opening the farm, fishery and livestock product market to foreign countries under persistent U.S. pressure.

The deputy prime minister also said the annual interest rate for farm loans will be lowered from the present 8 percent to 5-6 percent to help farmers reduce production costs and improve productivity.

Such loans set for this year are scaled at 1.75 trillion won. the same interest rate will be also applied to fishing loans which will total 480 billion won.

Cho said the government is also considering improving financing systems for farmers and cultivated land rent systems, while exempting farmers from capital gains tax in land transactions.

Burma

Aung San Suu Kyi Said 'Cautiously Optimistic'
*BK0604105489 Melbourne Overseas Service in English
0803 GMT 6 Apr 89*

[From "International Report" program]

[Text] The military government in Burma has released a draft electoral law and is promising to hold elections by May 1990. The draft law sets down detailed rules for electing politicians to a national parliament. However, it fails to describe how a government would be formed or to otherwise define the parliament's powers. The draft has also a clause which could disqualify candidates with residency status in a foreign country. The clause is aimed at the popular opposition leader Aung San Suu Kyi, the secretary general of the National League for Democracy in Burma, who is married to an Englishman.

Despite such problems, Aung San Suu Kyi is herself cautiously optimistic about the draft law, as (Peters Mears) found out:

[Begin recording] [Aung San Suu Kyi] On the whole we think it is all right, but there are some points which we think could be better, more fair, and more in line with democratic practices. So we have asked for certain changes to be made. For example, who is going to be in charge of the polling booths; we want to make sure that those who are in charge are those who would be neutral and who would not take sides. According to the draft law, civil servants are going to be in charge, and that is a little suspect because perhaps the civil servants are going to be chosen by the government and those civil servants might not feel free to take a neutral position, and so on.

[Mears] How do you view this draft electoral law, then? Do you see it as a real sign that the government and those in power in Burma today are serious about their promise of elections within 14 months?

[Aung San Suu Kyi] Well, it is one sign, certainly. If they are drawing up draft electoral laws it does seem as though they are heading for elections. But, as we keep saying in the League, what we want are free and fair elections, not just any old elections. So, right now the important thing is to create a climate which will be suitable for free and fair elections, which means we need some basic democratic rights and freedoms. At the moment, since mid-March, there have been many many arrests—I think over 100 of our people have been arrested since the middle of March—and that does not augur well for the kind of climate that we need for free and fair elections. So I think it would be a much better idea if the government were to open a dialogue with the opposition instead of going around arresting people at random.

[Mears] Do you think that those in power in Burma, then, are really serious about free and fair elections given that they are arresting members of your party?

[Aung San Suu Kyi] We think some of them are serious about it and some of them are not. And I think it is high time that they had a clearly defined policy toward the political parties. In some places there are many repressive measures being taken against political parties, whereas in other places it is all right—you can go ahead with your party work in peace. So there does not seem to be a consistent policy going throughout the country, and we do need a consistent policy laid down firmly by the government which will allow the political parties as well as the people to work freely for the elections, toward the elections. [end recording]

Government Announces New Fishing Law
*BK0304114089 Hong Kong AFP in English 1129 GMT
3 Apr 89*

[Text] Rangoon, April 3 (AFP)—Burma has announced penalties for foreign vessels found fishing in its territorial waters or violating fishing agreements, the official WORKING PEOPLE'S DAILY reported here Monday [3 April].

The newspaper said foreign vessels found poaching in Burmese waters would be liable to fines ranging from 7,142 dollars to 12,485 dollars and prison terms from one month to two years.

Foreign firms found violating agreements to fish in Burmese waters would be liable to fines ranging from 428 dollars to 7,142 dollars and prison terms from one month to one year, it added.

The law empowers the director general of the Fisheries Department to cancel fishing rights, as well as confiscate and dispose of vessels and fishing equipment for those found violating the law, the newspaper said. An inspector, to be appointed, will be empowered to arrest and prosecute offenders.

Burma's military junta, which came to power after a coup September 18, has already granted fishing rights to some two dozen foreign firms under a policy aimed at encouraging foreign investment and joint ventures.

The newspaper has said that contracting firms would employ Burmese workers and pay them in foreign exchange, badly needed here since Western countries imposed a virtual freeze on foreign aid after the coup.

Brunei, Malaysia & Singapore Malaysia

Finance Minister Welcomes Brady Plan
*BK0504051889 Kuala Lumpur BERNAMA
in English 0428 GMT 5 Apr 89*

[By Salmy Hashim]

[Excerpt] Washington, April 5 (OANA-BERNAMA)—Malaysia has welcomed the "Brady Plan", a new strategy on Third World [words indistinct] that focuses on debt

reduction rather than exclusive dependence on new lending.

Malaysian Finance Minister Daim Zainuddin described the strategy, proposed by U.S. Treasury Secretary Nicholas Brady, as "an important step forward in an attempt to resolve the debt issue. Daim, speaking at the Development Committee meeting of the World Bank Tuesday [4 April], called on the bank to take an in-depth study on the implications of the new strategy, especially on its lending for development.

"We would like to stress that any new approach to the debt strategy should be broad-based and take into account the different circumstances of both heavily-indebted low-income and middle-income countries for official as well as private debt," he said. The Brady Plan would encourage banks that have lent money to Third World countries to voluntarily cancel part of those loans or reduce the interest charges. The World Bank, the International Monetary Fund (IMF) and [words indistinct] to finance the scheme.

British Chancellor of the Exchequer Nigel Lawson has challenged part of the Brady Plan which calls for reduced interest payments.

If debtor nations default on their interest payments, governments—principally through the IMF and World Bank—would have to make up the difference under the plan. [passage omitted]

Singapore

SRV Investments Contingent on Troop Pullout
BK0504095989 Singapore THE STRAITS TIMES
in English 5 Apr 89 p 1

[Text] Singapore, April 5—Singapore companies have been told that they cannot invest in Vietnam until the Vietnamese have withdrawn their troops from Cambodia.

Announcing this yesterday, the Home Affairs Ministry and the Foreign Ministry said the companies may conduct negotiations with Vietnam, but are not to commit any investments there until the withdrawal is complete.

In a joint press statement, the two ministries said the government had learnt that a few Singapore companies were investing in projects in Vietnam.

"The projects involved a very few and small. However, in view of Vietnam's continuing occupation of Cambodia, the government wishes to make its stand on this issue clear," the statement said.

It added that companies which had already committed investment in Vietnam "should take steps to withdraw as soon as possible" and warned that businessmen who did not comply with the restriction would have their passports impounded.

Businessmen with interests in Vietnam were informed of the policy at a meeting at the Ministry of Home Affairs yesterday.

According to Mr S. Chandra Das, Chairman of the Government Parliamentary Committee for Defense and Foreign Affairs, this is the first time the government has come out clearly against Singapore companies investing in Vietnam.

Along with other ASEAN governments, it has discouraged the international community from giving aid, training and infrastructural development to Vietnam and campaigned against trade in strategic goods.

However, as Foreign Minister Wong Kan Seng reiterated in Parliament last month, the government's policy has been to allow "normal commercial transactions".

In his speech, Mr Wong said that with a settlement in Cambodia, "only a matter of time", Singapore was now looking beyond the Cambodian problem to its future relations with Indochina.

He held out hopes of wider diplomatic and economic relations with Vietnam, but added that the "full development of the potential must await" a comprehensive, durable and just settlement in Cambodia.

Contacted yesterday, Mr Chandra Das said the new policy probably came about because the government had received many requests from local companies to travel to Vietnam to explore investment opportunities there.

He said he was personally aware that many local companies were interested in investing in Vietnam, but added that he knew of no big projects undertaken by local companies.

Businessmen in other countries have also shown considerable interest in Vietnam since Hanoi promulgated liberal investment regulations in January last year and in the wake of recent indications that a Cambodian settlement is finally in sight.

According to Vietnam's Communist Party newspaper, NHAN DAN, companies from Hong Kong, Australia, South Korea, Thailand, France, the Soviet Union and Czechoslovakia have invested \$474 million in Vietnam.

Cambodia

Further on Hun Sen 5 April News Conference
*BK0504150989 Phnom Penh Domestic Service
in Cambodian 1300 GMT 5 Apr 89*

[Text] Comrade Hun Sen, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, and minister of foreign affairs of the People's Republic of Kampuchea [PRK], called a news conference at the Chamka Mon state palace at 1500 on 5 April to brief local and foreign journalists on a number of issues concerning the joint communique of the Governments of the PRK, the SRV, and the Lao People's Democratic Republic [LPDR] on the complete withdrawal of Vietnamese volunteer troops from Cambodia.

Attending the news conference were ambassadors representing embassies of friendly countries to Cambodia, journalists, press correspondents, TV cameramen from the United States, Japan, France, Great Britain, Canada, Australia, Norway, China, Italy, Vietnam, and so on, representatives of international organizations in Cambodia, a number of overseas Cambodians, and many local media representatives.

First of all, the comrade chairman of the Council of Ministers stated:

[Begin Hun Sen recording] First of all, permit me to express a warm welcome to all of you, ladies and gentlemen, for your presence here. I hope that our meeting here will allow you to understand what has happened, is happening, and may happen in the future in my country. As clearly stressed in the joint statement of the PRK, LPDR, and SRV Governments already distributed to all of you, the SRV will completely withdraw its troops from Cambodia by the end of September 1989.

Ladies and gentlemen: The Cambodian people and the world as a whole already know that it was the genocide committed by the Pol Potists against the Cambodian people during their rule from April 1975 to January 1979 which prompted the Cambodian people to rise up against this genocidal regime. It is also known that it was the Pol Potists' foolish foreign policy of aggression against Vietnam which promoted the latter to exercise its legitimate right of self-defense to safeguard its sovereignty and territorial integrity. These are two basic elements which caused the rapid downfall of the Pol Pot regime.

Over the past 10 years, through their own efforts and coupled with the effective assistance of Vietnam, Laos, the Soviet Union, and other friends the world over, the Cambodian people have brought life back to the country and made progress in all fields. These achievements, especially the progress made in national defense and the maintenance of security, have allowed the Vietnamese volunteer army to carry out annual partial withdrawals since 1982. To date, three-fourths of this army have been

already repatriated from Cambodia. While partial and unilateral withdrawals of Vietnamese troops from Cambodia were effected, Cambodia together with Vietnam and Laos made several proposals aimed at finding a political solution to the Cambodia problem. Lately, Cambodia, Vietnam, and Laos held that there is a possibility of carrying out the agreements reached during first and second Jakarta informal meetings [JIM] on the settlement of the international aspect of the Cambodian problem which linked the withdrawal of Vietnamese troops with the prevention of the recurrence of the genocidal Pol Pot regime, the cessation of foreign interference, the ending of foreign military assistance to all Cambodian parties, the prevention of a civil war after the complete pullout of Vietnamese troops, and the effective international control of the above processes. All the countries involved, particularly China which has not yet contributed to the agreements of JIM 1 and JIM 2, must also pledge that they will completely cease their military assistance to all Cambodian parties simultaneously with the complete withdrawal of Vietnamese troops from Cambodia.

In this sense, Cambodia, Vietnam, and Laos wish to make a solemn declaration that Vietnamese volunteers will be completely withdrawn from Cambodia by the end of September 1989 in accordance with the agreements and commitments made, and all interference, especially all military assistance to the Cambodian parties, must also cease by the end of September 1989. In order to implement the agreement reached at JIM 2 on international control, we propose to reactivate the international control commission set up by the 1954 Geneva agreement with the participation of the JIM chairman and the personal representative of the UN secretary general. This international commission could increase its staff according to appropriate modalities and could be armed as necessary for self-defense.

Ladies and gentlemen, one of two key issues to the Cambodian problem, namely the withdrawal of Vietnamese troops from Cambodia, has been settled as part of the responsibility of Cambodia, Vietnam, and Laos. While the presence of the Vietnamese army is nearing its end, another key issue, namely the danger of the return of the Pol Pot regime and Pol Pot's scheme to wage a civil war in Cambodia after the Vietnamese troop withdrawal from Cambodia, has now become the most important issue. This major and important issue must not be neglected and necessary and effective measures must be taken to prevent this danger. The PRK proposes a number of measures and calls on the other Cambodian parties, overseas Cambodians, and the international community to support these measures which are: to disband the Pol Pot armed forces; to put an immediate end to the military and financial assistance and sanctuaries to the Pol Potists; to force the Pol Potists to reveal their arms and ammunition depots; to bring to trial the Pol Potist ringleaders responsible for crimes of genocide; and to prevent the Pol Potists from using refugee camps for military purposes.

The prevention of the return of the Pol Pot regime and of the Pol Pot-instigated civil war can be achieved only by the combined forces of the Cambodian people with the assistance of the international community.

The PRK wishes to make this solemn declaration: after the withdrawal of Vietnamese troops from Cambodia by the end of September 1989 if foreign countries do not respect their commitments to sever completely their military assistance to the Cambodian parties, especially to the Pol Potists, if they do not put an end to their interference and violation of Cambodia's independence, sovereignty and territorial integrity, and if they foment instability by civil war to prepare the ground for the return of the Pol Pot genocidal regime and undermine the peaceful life of the Cambodian people and peace in Southeast Asia, the PRK reserves its legitimate right as an independent and sovereign state to appeal to other countries for assistance to protect itself and fight against the reestablishment of the genocidal Pol Pot regime in conformity with the UN Charter and the principles of nonalignment.

On this occasion, I would like to call on countries which have shown concern over the Cambodian problem to work for and encourage meetings between Sihanouk and Hun Sen and between the Cambodian parties aimed at finding an early agreement on the internal aspect of the Cambodian problem. I have just learned that Prince Sihanouk has agreed to resume our meetings in Jakarta, Indonesia, on 2 May 1989. This is good news. If the Indonesian Government and President Suharto agree, I am ready to meet Prince Sihanouk as scheduled.

Ladies and gentlemen, apart from the information about the Vietnamese troop withdrawal, let me briefly inform you that at this moment an important national conference of party cadres is being held in Phnom Penh. The conference is working out new decisions on broad political, economic, and social reforms in Cambodia at present and for the future. These courageous moves of the party and government are aimed at steering the country through a difficult course in which the country is confronting a situation of both peace and war. Our ultimate goals are to end poverty and raise the people's moral and material living conditions.

I thank you for the attention you have given in listening to my explanation, and I am ready to answer any of your questions. [end Hun Sen recording]

[Question by AFP correspondent in French] Mr Prime Minister, I am (Georges L'Chapon) of AFP. I would like to ask you a question concerning the withdrawal of the Vietnamese troops. Do you make any provision for the phases of this withdrawal. If you do, what are they?

[Hun Sen] It is a short period of time from now to September. Hence, gradual, numerical, regional, or territorial pullout is no longer important, but what is most significant is that there will be no more Vietnamese

troops in Cambodia as from 1 October 1989. And the International Control Commission will be informed of the program for the latest withdrawal of Vietnamese troops.

[Question by an unidentified correspondent] Sir, would you mind giving us a rundown on the internal security situation at the moment in terms of highways and provinces that are threatened by the resistance and the Khmer Rouge, especially on the internal security aspect.

[Hun Sen] My country is in a mixed situation of both peace and war. For a country simultaneously at peace and at war, it is undeniable that there must be some instances of insecurity. My country can be regarded as a country at peace but lacks stability because the enemy, with foreign support, continues to undermine it. However, it is well known that the Pol Potists mostly conduct their activities using small groups of forces at random, aiming mainly against civilian targets. This is a problem that we must continue to solve. I can say that the Pol Potists have their forces inside the country, but these forces are not for a military solution because they use them in small groups operating mainly against civilian targets. Therefore, the use of small forces cannot solve the problem militarily, meaning that they are not capable of directly attacking any area from the Cambodian-Thai border to the interior of the country. However, we cannot avoid their subversive activities. Even some countries that are known as stable and secure without war cannot avoid suffering from the sabotage by terrorists. What do you expect from my country which is still in a situation of continuing war. It is true that we have to suffer the consequences of sabotage.

[Question] Thank you sir. I am [name indistinct] from NBC News. You mentioned in your opening remarks that you will require international assistance to prevent the return of the Pol Pot regime. Can you be more specific about what sort of assistance you would require and from whom?

[Hun Sen] If I am not wrong, 40 years ago there was an important agreement on the prevention of and punishment against genocide. Therefore, the measures to prevent the presence of the genocidal regime in Cambodia are the duty of the international community. Over the past 10 years, the Cambodian people have made utmost efforts to prevent this genocide. Only Vietnam and other socialist countries have so far given active support to Cambodia to prevent the return of the Pol Pot regime. Of late, people have come to the conclusion that the Cambodian problem has two key issues: First, the withdrawal of the Vietnamese troops from Cambodia and second, the prevention of the Pol Pot regime's return and of the Pol Pot-instigated civil war in the wake of the Vietnamese troop withdrawal. Now, the Vietnamese troops that have been helping the Cambodian people to prevent the return of the Pol Pot regime have been withdrawn and will be withdrawn from Cambodia by September 1989. Therefore, there is only one key issue left: the danger of

the return of the Pol Pot regime. And this task can be carried out effectively only with the assistance of the international community in addition to the forces of the Cambodian people themselves. Now, will they do what they say they want to do or promise to do? This is what we are waiting to see after September 1989. Of course, not just anybody can tackle the question of preventing the return of the Pol Potist regime. [Words indistinct] countries far away from Cambodia can provide support for measures concerning the prevention of the return of the Pol Pot regime, such as by condemning the ringleaders who committed serious genocidal crimes or by adopting the UN measure in expelling the Pol Potists from the United Nations or using their influence to force the countries backing the Pol Potists to stop assisting the Pol Pot clique. Most important is that those countries which have created the Pol Potists and supported them up to the present must bear the great responsibility in solving the Pol Pot question. It is well known who created Pol Pot and who is backing and keeping the Pol Potists alive to the present. Therefore, they have the duty to help prevent them from returning to power.

[Question] I am (Tomiya) from JIJI PRESS, Japan. In your opening declaration you said that after the total withdrawal of the Vietnamese troops, if foreign countries do not respect their commitment to ending military aid to the Pol Potists, the PRK will exercise its legitimate right to call on other countries to help it in self-defense. Does this have something to do with the reintroduction of the Vietnamese troops?

[Hun Sen] We have reached a consensus that the withdrawal of Vietnamese troops will be linked with the cessation of foreign interference and the ending of military assistance to all Cambodian parties. This is an agreement and the commitment of all countries concerned, including China. Therefore, if such an agreement and commitment have been made, all parties must respect them, for they are the conditions that all must respect. Our side cannot be forced to respect them alone. This is like saying that other forces which attack us must not expect to freely operate against us unopposed. In this case, if foreign countries do not respect the agreement and commitment it would mean that they are the ones who sabotage the agreement, undermine the political solution, and create insecurity by civil war, which prepares the ground for the return of the Pol Potists. In this situation, will the international community remain indifferent to the Pol Potist slaughtering of the Cambodian people? It is the common responsibility of all men of conscience, and especially of all countries signing the convention against genocide. It is most true that not every country has signed it, for there are some countries which back the Pol Potists against the Cambodian people. In this sense, we must keep our right as an independent and sovereign state to appeal for international assistance in self-defense. And we cannot say who will help us, for we have many friends. Nevertheless, it is evident that no one has more effectively assisted Cambodia than have its neighbors.

[Question] Sir, (Jeremy Whitehouse) from REUTER News Agency. I wonder if I could ask you about the international control and supervision commission. First, up to what number of people would you be prepared to allow in the commission itself? Second, would you be willing to allow them to stay to supervise the general elections after the withdrawal of the Vietnamese troops [words indistinct]?

[Hun Sen] Concerning the international control commission, according to our research, in [year indistinct] there were only about 60 members. This time, in our view, the number could be increased to an appropriate level, say tenfold. Therefore, if the number is increased 10 times, there would be 600 people, which would be enough to supervise this small Cambodia.

On whether there would be supervision of the elections, I would like to state that if there is a common solution after the withdrawal of Vietnamese troops, followed by elections, then it is certain that the international commission should continue its task by supervising the free elections in Cambodia. The international commission will carry out its tasks in accordance with the agreement reached. If it was agreed that it would only supervise the Vietnamese troop pullout, so be it. However, if it was agreed to cover the elections as well, the commission will continue its task until the elections.

[Question] One more question if I may. [Words indistinct] among many [words indistinct] prior to Chairman Gorbachev's summit meeting with China. [Words indistinct]?

[Hun Sen] We know that our enemies have constantly falsified the real situation in Cambodia. They want to say we have announced troop pullouts but have not withdrawn any troops. They even said Vietnam has disguised its soldiers and infiltrated them in the army of the PRK. To us, this is meaningless. It has nothing to warrant discussion. What people ought to know is whether or not there would be any Vietnamese troops left after September 1989. [Words indistinct] in response to the Soviet Union's request. I would like to say that this is an act by Cambodia and Vietnam, which only discussed the request. The Soviet Union has always respected the position of Cambodia as well as that of Vietnam on the Cambodian problem. We have never received any pressure, even a bit of it, around the request for the Vietnamese troop pullout from Cambodia. We know that certain people are relying on the meeting between the Soviet and Chinese leadership to solve the Cambodian problem. Sihanouk and the tripartite group also rely on this. This group—Sihanouk, Samdech Sihanouk—has always used the (?Chinese) key in the Cambodian problem. He also has a key in his hands but he does not want to use it to solve the problem. He wants to use the Soviet and Chinese key to solve the Cambodian problem instead. Whether the Cambodian problem can be solved or not depends on the Cambodian parties which can agree among themselves.

We admit that the Soviet-Chinese meeting can smooth out the international situation as well as facilitate a solution to the Cambodian problem. However, whether there would be any solution or not depends on the Cambodian parties themselves. Now, it seems that Samdech Sihanouk has reverted to using the key in his hands by announcing that he would meet me in Jakarta on 2 May. I am ready to use the key in my hands and combine it with Sihanouk's to solve the problem.

[Question in French, partly indistinct] [words indistinct] LIBERATION. I have two questions to ask you: First, will you be going to the forum to be organized in Bangkok on 28 April? Second, the problems during negotiations among Cambodians, namely the dismantling of the PRK and [words indistinct].

[Hun Sen] I have received an invitation to attend a seminar in Bangkok on 28 April. We are currently discussing technical and other conditions before deciding whether I will go or not. Before making this important decision, it is necessary to have precise information. The decision will be disclosed later.

Concerning the talks between Cambodian parties, particularly between myself and Samdech Sihanouk in Jakarta. Over the past few days, along with the announcement that Samdech Sihanouk has agreed to meet me in Jakarta, there have been comments saying that Hun Sen has made concessions on two issues. I still do not know what these concessions are. Personally, I still do not have any clear concessions in mind. We have been talking to each other only through reports of Thai newspapers. It depends on the position of the two sides. Both sides should soften their positions before any agreement could be reached. However, one cannot demand that only our side make concessions while the other side does not. In short, one cannot demand the dissolution of the PRK. I would like to tell you that there are three factors which we cannot accept on this issue.

The first is that the dissolution of the PRK will create an occasion for the Pol Pot to return to power or to wage a guerrilla war. People know that apart from the PRK forces, no other forces are seriously opposing the Pol Pot group. Therefore, dissolving the force opposing the Pol Pot group would mean opening the way for the Pol Pot regime's return.

The second point we cannot accept is that this is a violation of the Cambodian people's self-determination right. We [words indistinct] the dissolution of the PRK or the establishment of the four-party coalition government. However, those who have the right to do this are the Cambodian people. Only the Cambodian people have the right to dissolve this government and set up a new one through elections. The important point is to find a way for these elections to take place. This is an important issue concerning the dissolution of the PRK.

The third point we cannot accept is the injustice of the solution to the problem. They have nothing and want to have everything. This would make us lose everything we have in our hands. We can say that the cake is now in our pocket and it is snatched and cut into four portions; three portions are taken away and only one portion is left to us. As for those three portions taken from us, no compensation whatsoever is made to us. A political solution requires concessions from both sides to find a common ground. One party should not be forced to lose while the other party gains. Therefore, the so-called demand for the PRK dissolution cannot be realistic now or in the future.

[Largely indistinct question in English]

[Hun Sen] As I have said, our country is in a situation of peace and war at the same time. Therefore, it is normal there are clashes occurring here and there, particularly along the Cambodian-Thai border. It can be said there are places where tension is less and others where the situation is tense. The relaxed areas are those where Cambodian and Thai forces face one another and avoid clashes. The tense areas are in places where the Pol Pot or the other two Cambodian groups are located; they always create troubles. However, generally speaking, they cannot control any points along the border.

[Question] [Words indistinct] Can you tell me how many [words indistinct] Vietnamese control. How many People's Republic of Kampuchea [words indistinct] will remain here? And, do you feel that they are prepared to face the Coalition Government of Democratic Kampuchea in any armed conflict?

[Hun Sen] I would like to tell you that the measures we have taken are not adventurous ones, as we are consciously responsible to the Cambodian people's destiny. Before embarking on the partial withdrawal of Vietnamese troops, and lately before announcing the Vietnamese troop pullout, we have already considered our own forces and those of the enemies. We are not adventurous in scoring diplomatic gains and losing the Cambodian people's lives. Thus, everything has been prepared for assuming the task of defending ourselves following the Vietnamese troop pullout.

Concerning the number of troops, all I can tell you is that we are implementing a policy of the entire people taking part in national defense. We do not have enough money to build an army with numerous troops. However, what is most important is that we have people taking part in defending the country. It is true that following the Vietnamese troop pullout from Cambodia, the sound of guns in Cambodia will continue to be heard. Things will be even more complicated if other countries do not abide by their promises to end military assistance to opposing Cambodian parties following the Vietnamese troop pullout. If these countries do not respect their words, it is

their responsibility. If they do, it can be said that the situation is very favorable and the Cambodian people have the capability to prevent the Pol Pot regime's return.

Party Cadres National Conference Opens

BK0504093789 Phnom Penh Domestic Service in Cambodian 0430 GMT 5 Apr 89

[Text] The second national conference of party cadres was solemnly opened at the Ba Sak riverfront theater hall at 0730 this morning, 5 April. The conference was attended by 250 participants, including 43 party Central Committee members, 105 ministers, deputy ministers, leaders of institutions, and representatives from equivalent levels, 106 provincial secretaries, deputy secretaries, and chairmen, 41 representatives from the armed forces, 18 department-level representatives, 21 district secretaries and deputy secretaries, and 16 ethnic group representatives. Of these participants, 237 were male and 13 were female, the oldest of them was 65 years old and the youngest 27.

The conference was held in the presence of Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the Council of State; Comrade Chea Sim, member of the party Central Committee Political Bureau, chairman of the National Assembly and of the front National Council; Comrade Hun Sen, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, and minister of foreign affairs; Comrade Say Phuthang, member of the party Central Committee Political Bureau, chairman of the party Central Committee Control Commission, and vice chairman of the Council of State; Comrade General Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and chief of the Defense Ministry General Political Department; Comrade Chea Soth, member of the party Central Committee and vice chairman of the Council of Ministers; Comrade Men Sam-an, member of the party Central Committee Political Bureau and chairman of the Central Organization Commission; Comrade Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and chairman of the Kampuchean Federation of Trade Unions; Comrade Ney Pena, member of the party Central Committee Political Bureau and chairman of the Central Propaganda and Education Commission; Comrade Nguon Nhel, alternate member of the party Central Committee Political Bureau and secretary of the Phnom Penh City party committee; Comrade Sar Kheng, alternate member of the party Central Committee Political Bureau and chief of the party Central Committee Cabinet; and Comrade Say Chhum, alternate member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of agriculture.

Also attending as guests of honor were ambassadors, charges d'affaires, and embassy counselors of various friendly countries accredited to Cambodia.

Following the paying of tribute to the national flag, party banner, and the memory of cadres, party members, people, and combatants who sacrificed their lives in the cause of the nation, motherland, and revolution, Comrade Chea Sim made the following opening speech:

[Begin recording] Today, we hold the second national conference of party cadres in an atmosphere in which the whole country has just concluded with great satisfaction and pride the celebration of the 10th anniversary of the 7 January national day—10 years permeated with brilliant success in the struggle for the rebirth of Cambodian society following the liberation from the genocidal Pol Pot regime.

At the same time, the conference is going to proceed in an atmosphere in which our entire party, people, and Armed Forces are enthusiastically implementing the tasks of 1989 on the impetus of the new position and strength which matches the new historic stage of the revolution—a stage of development in the quality of the Cambodian revolutionary forces which will themselves take charge of their own revolutionary cause.

Our conference expresses joy and admiration at the active contributions made according to the democratic character of our party by the provinces, cities, central institutions, groups of intellectuals, and many cadres and party members who participated in the compilation of the conference's documents and made the preparations for the conference a big success.

The conference participants would like to express respect and gratitude to cadres, party members, combatants, and people throughout the country who have made supreme sacrifices in the struggle for national defense and reconstruction over the past 10 years. We would like to pay deep tribute to the memory of our ancestors, cadres, party members, combatants, and people who sacrificed their lives for the independence and peace of the motherland and the happiness of the people.

With the priceless feeling of international solidarity and in the tradition of the Cambodian people, the conference participants would like to express deep thanks to the parties, governments, and peoples of Vietnam, Laos, the Soviet Union, and other fraternal socialist countries for according wholehearted support and assistance to the Cambodian party, government, and people. We also express deep thanks to all progressive countries, heads of state and government, international movements, international humanitarian organizations, scientists, journalists, and people in the world who have been sympathetic to and supportive of our Cambodian people's rebirth and have been active in the search for a solution to the Cambodian problem.

Dear comrades and friends, dear conference participants: More than 10 years have elapsed since the victory of 7 January 1979. Consistently pursuing the political line blazed by the the third, fourth, and fifth party

congresses, the entire party, people, and Armed Forces have always held aloft the twin banners of patriotism and international solidarity, uniting as one around the party Central Committee, fighting to overcome all kinds of difficulty both in the struggle against the enemies in defense of the motherland and revolutionary gains and in the national socioeconomic restoration and development efforts, and winning great victories in all fields, bringing rapid changes to the new outlook of our present-day beautiful land of Angkor. These immense victories have enabled the position and strength of the revolution to stay constantly on the offensive on both the domestic and international fronts. Going through actual fighting, tests, and trials, learning while doing their job over the past years, the forces of Cambodia themselves are growing and maturing rapidly, first of all in their quality, and are taking charge of their own destiny. As for the enemies of the revolution, though they become more perfidious and obstinate in their dogged strategic maneuvers—that is, to topple the regime of the People's Republic of Kampuchea—they continue to weaken and lose mastery. The so-called tripartite coalition of Democratic Kampuchea remains the government-in-exile which enjoys no support at all in the country and whose international support is being seriously shaken.

In light of the above situation and in conformity with the trend of the times in which mankind hungers for peace and peaceful coexistence as the world advances rapidly in the direction of scientific and technological development and peaceful economic rivalry, in order to fulfill historic tasks in the immediate future the Kampuchean People's Revolutionary Party [KPRP] holds this second national conference of party cadres with the following objectives:

1. To examine the situation of the Cambodian revolution in all fields over the past 10 years, and set targets for important tasks for 1989-90 and the coming years.
2. Through a number of important policies, to strive to accelerate the cause of socioeconomic restoration and development at the new stage.
3. To vote and elect additional members to fill up the fifth KPRP Central Committee in order to ensure the party's leading strength in the new situation of the Cambodian revolution in which our own forces must take full responsibility for the future destiny of our country.

Our second national conference of party cadres is an important and historic political event in the life and activities of the Cambodian society, having a determining significance on the destiny of the nation. For this reason, with a high sense of responsibility, I hope that all the comrade representatives will muster all your physical and intellectual forces on the basis of developing to the maximum the democratic and creative character of our party for the success of the conference. With this belief and pride, on behalf of the presidium, I would like to declare the conference open. [applause] [end recording]

Following this, Comrade General Secretary Heng Samrin read a report on the all-round situation of the revolution over the past 10 years and important tasks for 1989-90 and the coming years. The conference proceeded in an atmosphere permeated with pride, solidarity, unity, and a high sense of responsibility.

Socioeconomic Report Presented

*BK0604115389 Phnom Penh SPK in English
1103 GMT 6 Apr 89*

[All quotation marks as received]

[Text] Phnom Penh SPK April 6—Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and president of the State Council of the People's Republic of Kampuchea, yesterday delivered a report on Kampuchea's socioeconomic restoration and development at the Second National Conference of Party Cadres being held in Phnom Penh.

Following are excerpts from his report:

"The production of food grain is the most important economic spearhead compared with the others including forest exploitation, fishing and rubber in the implementation of the First Five-year Plan for socioeconomic development in Kampuchea. Thanks to intensive efforts made by the working mass in this field, especially in land reclamation, the total output of rice increased from 565,000 tons in 1979 to more than 2.7 million tons in 1988, thus putting an end to the danger of famine and actively contributing to the stabilization of the socioeconomic situation in the country.

"Rubber exploitation has been pushed ahead to date. The country has restored 51,500 ha [hectares] out of the total rubber acreage of 50,000 ha in the pre-war time or an eightfold increase over 1980. Crepe output increased from 1,300 tons in 1979 to 31,000 tons in 1988. Moreover, in 1985 plantation workers planted rubber saplings on 3,700 more hectares.

"Last year, Kampuchea produced more than 280,000 cubic meters of timber, topping the target set for 1990. Alongside forest exploitation, the state has paid due attention to afforestation and the construction of technical bases for the forestry service to step up the export of forest products.

"Fish catch increased from 20,000 tons in 1980 to 82,000 tons in 1988. Considerable crocodile breeding progress has also been made in pisciculture, especially crocodile breeding. [sentence as received]

"Much efforts have been made to expand areas for industrial crops, particularly for jute, tobacco and pepper.

"The country's cattle population today is much bigger than 1979, achieving three-fourths of the pre-war figure.

"By now, 69 out of 79 industrial factories and enterprises destroyed or left abandoned during the Pol Pot time have been restored and put into production. With Soviet assistance, power plants have been built in provinces of Battambang, Kompong Cham, and Siem Reap-Oddar Meanchey, and in the cities of Phnom Penh and Kompong Som.

"Small industrial and handicraft workshops have been set up in different localities, particularly in the capital city of Phnom Penh. At present, Kampuchea counts some 2,000 small industrial and handicraft workshops capable of turning out a great quantity of essential consumer goods to meet the people's demand in their daily life.

The country's annual income increases averagely by 23.7 percent whereas its expenditure rises by 23 percent. The inflation rate is not severe in spite of deficit in the state budget.

"The educational system keeps developing from pre-school education to secondary vocational and higher training. So far 60,000 people have been graduated from academic institutions and hundreds of textbooks published for general and complementary education and pre-school classes. Illiteracy has been in the main eradicated in the country and follow-up classes opened everywhere for new literates. In the 1988-89 school year, Kampuchea has about 1.7 million general education pupils, 20,000 students of secondary vocational and higher education. Besides, 6,000 Kampuchean students have been sent abroad for further study on different subjects.

Sanitary network has been expanded to remote areas. As a result, the mortality and morbidity rates have been reduced gradually. From 1980-88, the morbidity rate of malaria fell from 10.0 percent to 1.5 percent and the death rate of such disease dropped to 0.15 percent.

Conference Resumes Work

BK0604122689 Phnom Penh Domestic Service
in Cambodian 1100 GMT 6 Apr 89

[Text] At 1400 this afternoon the second national conference of party cadres continued in an atmosphere of great joy and solidarity and according to the agenda. The conference participants in the afternoon of the 2d day attentively listened to reports by the party committees of Kompong Cham Province, Kompong Som City, Battambang, Kompong Chhnang, Preah Vihear, and Banteay Meanchey Provinces, the Trade Service of Takeo Province, and the Information and Culture Ministry. All reports highly appreciated and agreed with the draft report on the situation of the Cambodian revolution over the past 10 years and the targets of main tasks for 1989-90 and the coming years.

The representatives also warmly greeted the policies discussed by the conference prior to their promulgation. At the same time, the representatives also put forward a number of demands to supplement the report so as to agree with the concrete situation of the Cambodian revolution.

The conference adjourned at 1700 and will resume tomorrow morning.

More People Settled in New Economic Zones

BK0104120789 Phnom Penh SPK in English
1101 GMT 1 Apr 89

[Text] Phnom Penh SPK April 1—More than 400 families have settled in a new economic zone at Kouk Thlork Commune in Angkor Borei District, Takeo Province, about 80 km south of Phnom Penh.

Since the formation of the commune in 1983, the new settlers, mostly from neighboring districts of Prey Kabas, Bati, Samraong, have reclaimed 5,900 ha [hectares] of waste land.

Now, they have put 4,500 ha under dry-season rice, 200 ha more than the first year of the commune's inception.

Thanks to the alluvial soil and intensive rice farming with the use of the IR-36 rice variety, Kouk Thlork Commune has on average yielded five tons per hectare, thus raising its yearly per-capita rice production to 700 kg. Its farmers have sold their surplus rice to the state in exchange for household utensils.

Last year, they sold the state 400 tons of surplus rice, achieving 40 percent over the yearly plan.

Since the country liberation in 1979, 25,000 peasant families have volunteered to go to new economic zones in different parts of the country and have turned 407,785 ha of waste land into crop fields.

Youths Said To Volunteer in Kompong Thom

BK0604073989 Phnom Penh Domestic Service
in Cambodian 2300 GMT 5 Apr 89

[Excerpt] In the first quarter of 1989, 537 youths in Kompong Thom Province zealously volunteered to serve in the Army. Moreover, many others enlisted in village and communal militia forces in order to provide security and tranquillity for the local populace as well. [passage omitted]

More on Sihanouk Proposal To Meet Hun Sen

PM0404110289 Paris LE MONDE in French
4 Apr 89 p 3

[Dispatch by Francis Deron: "Prince Sihanouk Agrees To Meet Mr Hun Sen in Jakarta on 2 May"]

[Text] Beijing—Prince Norodom Sihanouk has once again changed course and agreed to have another meeting with Hun Sen, prime minister of the Phnom Penh administration, to try to find a political settlement to the Cambodian conflict. In a communique issued in Beijing on Sunday, 2 April, he proposed that the meeting should be held in Jakarta on 2 May or, failing that, in Paris in September.

The former monarch who in recent weeks has tended to take the tough pro-Chinese line of alliance with the Khmer Rouge, explained his umpteenth about-face by the fact that he received a message from Hun Sen on 26 March, conveyed by a French foreign ministry envoy, asking to meet him to make "two concessions" the nature of which is unspecified. The first is thought to be known: At Phnom Penh's "request," Vietnam will apparently unilaterally withdraw its troops from Cambodia by September this year rather than waiting for the December 1990 deadline it had originally chosen.

The second "concession" could be a response to Prince Sihanouk's demand that, if free elections are held in Cambodia, they should not be held in the framework of the People's Republic of Kampuchea [PRK]—the structure set up by the Vietnamese forces in 1979. Indeed, Phnom Penh has just set up a commission with the task of revising the PRK's Constitution. The announcement of this measure is laconic: The aim is to amend the Constitution "in accordance with the situation currently prevailing in the country and with a view to future developments." The head of this commission is the Phnom Penh National Assembly Chairman Chea Sim. One of its deputy chairmen is In Tam, former chief of staff of Prince Sihanouk's army, who, after resigning from that post several years ago, recently returned to Phnom Penh.

No details are known about the constitutional amendments, but this commission is clearly responsible for adopting an institutional approach intended to satisfy Prince Sihanouk, at least on paper. This revision coincides with the Phnom Penh communist party's decision last week to give the go-ahead to the development of the private economy in Cambodia—another concession which is a step in the direction of the prince's plans for his country's future.

The Khmer Rouge's Promises

It is still too soon to know whether Hun Sen's offers will be enough to enable the resistance leader to revive negotiations on a political settlement proper, in other

words sharing power after the Vietnamese troops' withdrawal. Relations are very bad between the two men after the failure of the first three sessions of preliminary negotiations which they have had in France since the end of 1987. However, both seem to have calculated that, contrary to China's suggestions, no new departures in the Cambodian conflict could result from the Sino-Soviet summit in Beijing in mid-May if the Cambodian protagonists adhered to the entrenched positions they have held over the past few months.

The Chinese have tried to exert pressure on their troublesome Khmer Rouge proteges to promise more solemnly than they have in the past not to try to regain power in Cambodia by military means. That was the meaning of a statement made on 29 March by Son Sen, military chief of the Khmer Rouge, on their radio which broadcasts from Chinese territory. Son Sen's statements, which were printed in full by XINHUA, announced that his group was prepared to allow the United Nations to carry out on-the-spot investigations in the framework of a future peace mission to Cambodia to ensure that the Khmer Rouge do not have arms caches. The process of settling the Cambodian conflict is continuing slowly and laboriously.

Sihanouk Expresses Doubts About Pullout

BK0604070889 (Clandestine) Voice of the Khmer
in Cambodian 0430 GMT 6 Apr 89

[Text] Samdech Norodom Sihanouk, chairman of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia [FUNCINPEC] and head of the Cambodian Coalition Government, said in his public reaction to the statement on the Vietnamese troop withdrawal that he still had doubts about the Vietnamese announcement and that this could be believed only when he saw that the Vietnamese were really doing it. The samdech said that the previous Vietnamese announcement that they had pulled out some troops has not yet been substantiated. He also rejected Vietnam's plan to invite India, Poland, and Canada to witness the pullout. He said that Vietnam cannot decide alone to choose which country to supervise the troop withdrawal.

The samdech added that the resistance groups are confident China will surely not suspend its assistance to the Cambodian fighters unless the Soviet Union affirms that Vietnam will really withdraw its troops. China, the largest supporter of the Cambodian resistance groups, has agreed to gradually cut down its aid if it believes that the Vietnamese troop withdrawal is correctly and legally carried out and is really taking place. China has repeatedly stated that the Vietnamese troop withdrawal is a most important issue for the Cambodian solution.

In the past, Vietnam set conditions for the withdrawal of its troops by linking it to the political settlement of the Cambodian problem between the Vietnamese-installed

Heng Samrin-Hun Sen regime in Phnom Penh and the three Cambodian resistance groups. However, the effort toward such a solution has been stalemated.

Son Sann Issues Statement on Pullout Pledge
BK0604010589 Bangkok THE NATION in English
6 Apr 89 p 8

[Text] The Office of Prime Minister Son Sann, of the Coalition Government of Democratic Kampuchea (CGDK), yesterday issued a statement responding to Vietnam's latest declared intention to withdraw all its troops from Kampuchea; excerpts: Son Sann, Prime Minister of the CGDK and President of the KPNLF [Khmer People's National Liberation Front] would gladly welcome such a decision. However, he wishes that such a withdrawal would not be unilaterally declared, but be a supervised and controlled one. He would like to remind the Vietnamese authorities that if they wanted to be credible vis-a-vis the international community for their repeated declarations of troop withdrawal, in order to help achieve a political settlement in Cambodia (Kampuchea) and ensure a lasting peace in the region, and would not evade their responsibility in their involvement in Cambodia, they should: (1) Notify the UN Secretary-General of their plan to withdraw their troops from Cambodia; (2) Therefore allow the UN Secretary-General to approach the UN Security Council and start the process of sending in Cambodia the UN International Peace Keeping Force or an International Control Mechanism, in order to supervise the Vietnamese troop withdrawal and to prevent their return, as well as the return of the universally condemned recent past policies and practices (the return of the Pol Pot's Khmer Rouge); (3) By doing so, abstain from diverting the real nature of an aggression war into a civil war, and separating the internal and external aspects of the Cambodian question.

Hun Sen Urged To Let People Make Decisions
BK0604090589 (Clandestine) Voice of the Khmer
in Cambodian 0430 GMT 6 Apr 89

[Political commentary: "Who Is the Master of Cambodia?"]

[Text] The No 1 puppet who has been picked up by Vietnam to serve it and who has no idea of what would happen to him in the future is Hun Sen, who often claims that he is the master of Cambodia, just because Vietnam has put him in power to serve Vietnamese interests.

In his frequent pronouncements from within the Vietnamese cage, Parrot Hun Sen said that he was the first to prepare the fire and cook the rice, meaning that he was the first to serve the Vietnamese and to help them plunder Cambodia, therefore he should be allowed to stay in power and continue farming on the backs of the people forever. When the harvest time comes, Hun Sen would instead let the Vietnamese reap and take the crops to their granaries in Hanoi.

Afterwards, when the situation prompted talks and meetings, Vietnam ordered Hun Sen to say at the negotiating table that an election for the sake of national reconciliation should be held within the context of the so-called devilish People's Republic of Kampuchea. Hun Sen said that accepting an interim quadripartite government would be a political suicide for him and his group, such as Hor Nam Hong, Cham Prasit, and so on.

In using the above language, the Voice of the Khmer—the voice representing the will of the Cambodian people in general—has no intention of attacking the persons of Hun Sen, Hor Nam Hong, Cham Prasit, and the like, for the latter are all Cambodians like us, but we know very well that they have never had the smallest luxury of enjoying any freedom of expression. They are mere spokesmen for Nguyen Co Thach, Tran Quang Co, and the like.

What then were the points in the remarks made by the statesman who has received the orders from his comrades in Hanoi? It is not hard to understand his language. It means that Cambodia does not belong to the Cambodians, but to Hun Sen, who gets it as a gift from the Vietnamese. Hun Sen thinks that his effort in bringing the Vietnamese into the country to kick Pol Pot out of Phnom Penh—or in other words, to colonize Cambodia by using Pol Pot as a pretext—means Hun Sen must be rewarded for this effort and must be given the titles of chairman of the Council of Ministers, party member, and prime minister forever, even if it is merely a puppet prime minister and even if that would mean that Cambodia would become another Champa [an ancient state annexed by Vietnam] in the future.

In making the proposal for the formation of a quadripartite government, the Cambodian resistance leaders did not intend to monopolize power at all. They merely wanted to make the Cambodian people the true master of Cambodia. And the Cambodian people can become the master of the country only when they have full freedom to select their own leaders and political system and can freely make major decisions through free general elections and not just-good-to-look-at elections like those held under communist regime and under the gun barrels of the Vietnamese as Hun Sen wants to have. Therefore, Hun Sen, who claims to love the Cambodian nation, must show clearly that he really regards the Cambodian people as the master of the country and must not regard himself as the master of the country as dictated by the Vietnamese.

National reconciliation in Cambodia can be achieved only under the sole condition that all political groups really serve the national interests, do not serve foreigners, and do not recite political litanies at the diktat of the alien Vietnamese—namely, they must follow the peerless idea of regarding the people as the supreme potentate.

Indonesia

Alatas on SRV Troop Withdrawal Announcement

BK0604102289 Kuala Lumpur BERNAMA
in English 0949 GMT 6 Apr 89

[By Haris Syamaun]

[Text] Jakarta, April 6 (OANA-BERNAMA)—Indonesia has welcomed Vietnam's announcement to withdraw all its forces out of Kampuchea by the end of September, saying that the move was a vital element towards solving the Kampuchean conflict.

However, it would be much better if the modalities and the aspects contained in the statements issued simultaneously in Hanoi and Phnom Penh Wednesday [5 April] were in the form of a consensus leading to a comprehensive settlement of the Kampuchean problem," [quotation mark as received] Foreign Minister Ali Alatas told newsmen here.

He was referring to a mutual agreement among all parties involved in the conflict as well as the interested countries of the Southeast Asian region.

"Nevertheless, we welcome Vietnam's positive intention to pull out its troops from Kampuchea," he said.

Ali declined to specify, when asked whether Indonesia would accept a proposal by Vietnam for Indonesia to supervise the process of troops withdrawal together with India, Poland and Canada.

He said that in previous talks on the settlement of the problem in Kampuchea, Vietnam had always mentioned that it would help and cooperate with an international control mechanism to supervise and look after the process of settlement of the conflict.

Indonesia and other members of the Association of Southeast Asian Nations (ASEAN) have so far been inclined to participate in international control and supervisory agencies under the auspices of the United Nations.

Vietnam had indicated during the first and second Jakarta informal meetings (JIM 1 and JIM 2) here in July last year and last February that it would pull out its forces out of Kampuchea by September if the Kampuchean warring factions reached a settlement and guaranteed that the Khmer Rouge was not resuming its control of the country.

Otherwise, the withdrawal of Vietnamese troops would only come into force by next year, according to statements from Hanoi.

Report on Suharto's Limited Cabinet Session

BK0504112289 Jakarta ANTARA in English
1031 GMT 5 Apr 89

[Text] Jakarta, April 5 (OANA-ANTARA)—President Suharto Wednesday called on the private sector, in this case large-scale businesses and exporters, to take active part in the development and promotion of village cooperative units (KUDs) with a view to increasing the income of small-scale farmers.

In this context, in his directives while presiding over a limited Cabinet session on economic affairs at Bina Graha here, the head of state emphasized the importance to immediately develop a pattern of cooperation between big traders or exporters with the KUDs in the different provinces in the country, according to Information Minister Harmoko when explaining to the press the results of the session.

He explained that the cooperation patterns should be developed according to the example currently undertaken in the Lampung Province, where the cooperation reflects an integratedness in the development of economic life on the basis of brotherhood.

The cabinet session also discussed preparations towards the fasting month, starting on Friday, and the Lebaran post-fasting festivities.

In this context the president gave directives to see that the needs of the society on those occasions, including transportation, must be well taken care of.

Logistics Chief Bustanil Ariffin said at the meeting that sugar and wheat flour were available to the amounts of 259,663 tons and 209,834 tons, respectively.

In the industrial field, it was reported that strategic commodities such as fertilizers, cement and paper are well in stock for March, April, May and June.

It was also reported in the meeting that the money in circulation in January 1989 amounted to rp 13.57 trillion.

In the meantime, the March inflation rate stood at 0.23 percent, so that the inflation rate for the 88/89 fiscal year became 6.55 percent.

This meant that it was lower than the March inflation rate of the previous fiscal year which stood at 8.29 percent.

The 0.23 percent increase of the inflation rate was particularly due to the changes in the indexes of food-stuffs.

Indonesia's January 1989 non-oil exports amounted to 1.1 billion U.S. dollars, up by 24.7 percent compared to the value in the same month last year.

The January 1989 non-oil exports value was lower than that of December 1988, which stood at 1.2 billion dollars.

Laos

News Conference on Joint Statment on Pullout *BK0504134689 Vientiane Domestic Service in Lao* *1200 GMT 5 Apr 89*

[Text] A news conference was held this afternoon at the Ministry of Foreign Affairs to publicize the joint communique of the Governments of the PRK [People's Republic of Kampuchea], the LPDR [Lao People's Democratic Republic], and the SRV [Socialist Republic of Vietnam] on the total withdrawal of the Vietnamese volunteer forces in Cambodia.

At the news conference Deputy Foreign Affairs Minister Souban Salitthilat informed local and foreign reporters on the contents of the joint communique as follows:

[Begin Souban Salitthilat recording] In furtherance of the outcome of the JIM 1 [Jakarta Informal Meeting] and JIM 2 as well as the efforts made by the Indochinese countries to expeditiously settle the Cambodian problem through political means in conformity with the aspirations of the entire Cambodian people and all peace- and justice-loving people throughout the world, the Governments of the PRK, the LPDR, and the SRV have consulted with one another and agreed to issue a joint communique today, 5 April 1989, which is called the joint communique of the LPDR, PRK, and SRV Governments on the total withdrawal of the Vietnamese volunteer forces from Cambodia.

The main contents of the joint communique are as follows:

The first main point is: Since 1982, along with the overall growth and strength of the PRK, each year Vietnam has withdrawn part of its forces despite the fact that the Pol Pot genocidal clique has continued to receive foreign support in its efforts to oppose the revival of the Cambodian people and its attempts to reestablish its genocidal regime in Cambodia. After the seventh batch of Vietnamese volunteer forces was withdrawn from Cambodia in late 1988, three-fourths of the Vietnamese volunteer forces in Cambodia had been pulled out. At the same time, the PRK, the LPDR, and the SRV have advanced numerous successive proposals filled with good intentions on a method to settle the Cambodian problem on the basis of respect for the Cambodian people's right to self-determination; to a life once and for all free of the Pol Pot genocidal regime; and to build Cambodia into a peaceful, independent, and nonaligned country.

The second main point is that the SRV, the PRK, and the LPDR once again reiterate their aspirations to see that the Cambodian problem be comprehensively and rapidly resolved to meet the interest of the Cambodian

people as well as the just interests of other peoples concerned and to conform to the aspirations of the peoples in Southeast Asia and the world. And they will do everything within their power to achieve this goal.

The SRV, the PRK, and the LPDR hold that at present there exists a full possibility to immediately implement the decisions made at JIM 1 and JIM 2 and the pledges made by the countries concerned, concertedly saying that the total withdrawal of the Vietnamese forces from Cambodia must be closely linked with the prevention of the reestablishment of the Pol Pot genocidal regime and the cessation of military assistance to all the Cambodian factions as well as the halt of foreign interference. The fulfillment of these decisions and pledges will stimulate the settlement of the Cambodian problem in its internal aspect.

The third main point is: On the basis of this spirit, the SRV, the PRK, and the LPDR majestically declare the following:

- a. The total withdrawal of the Vietnamese volunteer forces from Cambodia and the cessation of foreign interference and all acts of foreign military assistance to the various Cambodian factions must be achieved by the end of September 1989 in conformity with the decisions mutually reached and pledges made. For its part, the SRV will withdraw all of its forces by September 1989.
- b. In fulfillment of the agreements reached at JIM 2 on the tasks and mechanism of international control, the International Control and Supervision Commission for the implementation of the 1954 Geneva Agreement comprising India, Poland, and Canada is invited to resume its activities with the participation of the chairman of JIM 1 and a representative of the UN secretary general with a view to, in the immediate future, supervising and controlling the withdrawal of the Vietnamese forces as well as the cessation of foreign interference and of foreign military assistance to the various Cambodian factions. The International Control Commission may increase its staff as appropriate and be allowed to carry necessary weapons as needed for self-defense and for the effective performance of its tasks on the basis of respect for the sovereignty of Cambodia.
- c. The SRV, the PRK, and the LPDR call on all countries and parties concerned to implement the agreements and pledges concerning the total withdrawal of the Vietnamese forces as well as the cessation of interference in the internal affairs of Cambodia and the cessation of military assistance to the various factions in Cambodia. The total withdrawal of Vietnamese forces from Cambodia and the cessation of foreign interference and foreign military assistance to the various Cambodian factions will lead to an end of the civil war and encourage the various factions in Cambodia to settle their own internal problems on the basis of national reconciliation before September 1989. After the total withdrawal of Vietnamese forces, if the foreign countries fail to fulfill the

pledges they have given, that is, to completely end military assistance to all the Cambodian factions, especially to the Pol Pot genocidal clique, and to cease interference in the internal affairs of Cambodia, this means that a political settlement of the Cambodian problem has been undermined, thus creating conditions for the Pol Pot genocidal regime to return to Cambodia and to rekindle the civil war in Cambodia, thus violating the sovereignty, independence, and territorial integrity of Cambodia, undermining the peaceful life of the Cambodian people, and undermining and destroying peace in Southeast Asia. In this eventuality, the PRK will exercise its legitimate right to call on other countries to give it assistance for self-defense in conformity with the various provisions of the UN Charters and the principles of the Nonaligned Movement.

d. The PRK, the LPDR, and the SRV call on other countries to encourage meetings between the Chairman Hun Sen and Prince Sihanouk and those among the various Cambodian factions so as to advance quickly toward the settlement of the Cambodian problem in the spirit of national reconciliation and to inform the chairman of the JIM meeting of the outcome of the meetings within 4 months at the latest as agreed upon so as to allow JIM 2 to continue as early as possible. [end recording]

First Meeting on Mekong Bridge Construction Held
BK0504093389 Vientiane KPL in English 0905 GMT 5 Apr 89

[Text] Vientiane, April 5 (OANA-KPL)—The first tripartite meeting on the Mekong bridge project between Laos, Australia and Thailand was opened here yesterday.

Among the principal questions the participants are to deal with are various organizational principles for the execution of the bridge project. These include the determination of the bridge site as well as the design of the bridge.

Fact finding on the construction of the bridge is expected to start in mid 1989 and will last a year.

The Australian Government has already granted a sum of 30.5 million U.S. dollars for the construction of the bridge.

Addressing the meeting, Mr Phao Bounnaphon, minister of trade and foreign economic relations, highly appreciated the Australian Government's assistance to the bridge building. On the other hand, he called this endeavour as a new positive step in the development of the Lao-Thai relations.

Taking part in the meeting were, on the Lao side, Mr Phao Bounnaphon; on the Australian side, Mr Paul Barrett, special adviser to the Australian Foreign and Trade Ministry; and on the Thai side, Mr Praphat Premmani, head of the Thai National Energy Organization.

Memorandum Signed

BK0604061589 Vientiane Domestic Service in Lao 0000 GMT 6 Apr 89

[Text] A memorandum on cooperation among Laos, Australia, and Thailand on the construction of a bridge across the Mekong River was signed in Nong Khai Province of the Kingdom of Thailand yesterday [5 April].

The memorandum spelled out the possibilities and the fixing of the amount of funds for construction. It also spelled out an agreement on the initial site for the bridge, which is expected to be built between the area at Ban Dong Phosi village, Tha Deua, Vientiane Municipality, and Muang Mi area in Nong Khai Provincial Municipality.

As for the feasibility study for designing the bridge, the three sides will agree with one another at a meeting to be held in Bangkok either in August or September this year.

The official in charge of the project on the Lao side said that in addition to an estimated 30.5 dollars [as heard] which the Australian Government has agreed to finance the construction, Australia will give more grants for conducting a feasibility study to design the bridge.

Signing the cooperation memorandum were, on the Lao side, Seun Phetsanghan, deputy minister of communications, transport, posts, and construction; on the Australian side, Paul Barret, special adviser to the Australian Foreign and Trade Ministry; and on the Thai side, Praphat Premani, head of the Thai National Energy Organization.

Soviet Nationalities Delegation Arrives for Visit
BK0504095389 Vientiane KPL in English 0909 GMT 5 Apr 89

[Text] Vientiane, April 5 (KPL)—A delegation of Soviet Nationalities [led] by Mr Uzbekaliy Dzhaniybekov, secretary of the Central Committee of the Communist Party of the Kazakh SSR, arrived here on April 4, 1989.

The Soviet delegation, for over one week of visit to Laos, will discuss and exchange views with the Lao side on the work of nationalities of Laos and the USSR.

North Korea

U.S. Said Planning To Keep Bases After 1991
HK0604103189 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Apr 89

[Text] The U.S. Government reportedly believes that its bases will remain in the country beyond 1991. For the details, here is the report from Rey Arquiza of Mobile 21:

[Begin recording] The U.S. Government believes that its military bases in the country will remain beyond 1991. This allegedly was contained in a document prepared by the U.S. Pacific Air Force. The document reportedly shows that the U.S. Government has appropriated around \$463 million, or 9.3 billion pesos, for the improvement of its facilities at Clark Air Base. It has allocated the sum of \$442 million for the improvement of facilities at Clark Air Base this year, and another \$94.5 million for next year's use. In 1991, when the bases agreement expires, the U.S. Government has appropriated \$129 million, and \$136 million for 1992. For 1993, its budget is reduced to \$60.8 million.

This major construction program for 1989 and 1983 [as heard], according to University of the Philippines Prof Roland Simbulan, is a clear indication that the United States is ignoring President Aquino's options on the bases. Simbulan further said that the U.S. Government's stated option to pull its bases out of the country is just a bluff. [end recording]

Base Workers Threaten to Strike if Talks Fail

HK0604055589 Manila PHILIPPINE DAILY
INQUIRER in English 6 Apr 89 p 6

[Text] The president of the labour union representing 22,000 Filipino workers in two U.S. military bases in the Philippines yesterday said chances are high current collective bargaining negotiations would bog down in a few weeks which could force them to go on strike.

Roberto Flores, president of the Federation of Filipino Civilian Employees Associations, said the CBA [Collective Bargaining Agreement] negotiations would likely reach a deadlock when negotiators tackle the "political" demands of the base workers next month.

"A strike is an ultimate resort and it's possible we could go into that if we reach a deadlock," Flores said.

He said many of the political and economic demands of Filipino base workers seemed unacceptable to American officials.

He said U.S. officials want most of the political and economic rights being demanded by the base workers to be discussed in the negotiations seeking an overhaul of the Philippine-U.S. Bases Labor Agreement.

Cabinet Committee Bars Marcos From Returning

HK0604110389 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 6 Apr 89

[Text] Former President Ferdinand Marcos will not be allowed to return to the country to attend the hearing set by the Antigraft Court [Sandiganbayan] for 15-16 June. Former Public Works and Highways Minister Baltazar Aquino, who is testifying against Marcos, will be cross-examined at that time. The decision was agreed upon by the members of the Cabinet Crisis Committee, which includes

Justice Secretary Sedfrey Ordonez, Health Secretary Alfredo Bengzon, National Security Adviser Rafael Ileto, and Local Government Secretary Luis Santos. The four committee members said that Marcos cannot come home even if the court requires his presence.

Meanwhile, the former president's lawyer, attorney Rafael Recto, has issued a statement on the issue through the DZRH News Center:

[Begin Recto recording in English] The Sandiganbayan is completely at the mercy of Malacanang when it comes to this particular issue. The Sandiganbayan will make all kinds of pronouncements. They did that last August. That President Marcos can come back. Then Malacanang said no. The Crisis Committee said no. What can the Sandiganbayan do? No, also. The Sandiganbayan is powerless. It cannot order. It [word indistinct] Mrs Aquino to come back. They always claim it is a political question. [end recording]

Aquino Accepts Tourism Secretary's Resignation

HK0604104189 Quezon City Radyo ng Bayan
in Tagalog 1000 GMT 6 Apr 89

[Text] President Aquino has accepted the resignation of Tourism Secretary Jose Antonio Gonzales. Sel Baisa has the details:

[Begin recording] Gonzales is the second cabinet member who has resigned this month. He thanked the president for the honor and privilege which were vested in him during his period of service. In his letter to the president, Gonzales said that his resignation is the result of personal problems which seriously affected his government work. Furthermore, this move was not imposed on him, but is a personal desire. He said he can no longer bear the attacks against his person. [end recording]

Campaign Intensified for Insurgent Returnees

HK0504065189 Manila MANILA BULLETIN
in English 5 Apr 89 p 22

[By Emily Pena]

[Text] The Department of Local Government (DLG) will intensify its campaign to encourage rebels to join the "normal stream of society."

Earlier, it was noted that the number of surrenderees decreased after the government's amnesty program for rebels expired on Feb. 29, 1988.

A report submitted by the National Reconciliation Development Program (NRDP) to the DLG said that the number of rebels who returned to the fold of the law declined from 5,757 in 1987 to 474 last year.

In an attempt to motivate rebels to surrender, the DLG, through the NRDP, has urged President Aquino to issue an executive order extending the amnesty program for rebels, Local Government Secretary Luis T. Santos said.

Such an order will respond to the clamor of prospective returnees as reported by field offices of NRDP participating agencies," Santos said.

Secretary Santos, who is also the chairman of NRDP, said that the information drive will involve the barangays and the Office of the Press Secretary with the assistance of the print, broadcast, and television media.

Complementing the drive is the government purchase of firearms. A total of 1,767 firearms worth P [pesos] 12,383,716 were purchased from "left wing" groups and Muslim rebels from 1987 to 1988.

Senate Committee Recommends Amnesty for Renegades
HK0604020389 Manila Far East Broadcasting Company in English 2300 GMT 5 Apr 89

[Text] The Senate Defense and Security Committee has agreed to recommend to the president the granting of amnesty to rebel soldiers and the dropping of charges against them. The committee reached this decision after hearing the testimony of several top military officers. Committee Chairman Senator Ernesto Maceda said the rebel soldiers involved in past coup attempts have suffered long enough and should be pardoned.

Ramos Links Guerrillas to Rice Supply Misinformation
HK0604053989 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 6 Apr 89

[Text] In Camp Aguinaldo, Defense Secretary Fidel Ramos has said the communist guerrillas could be linked to the dissemination of false information regarding the rice supply. He stated in a news conference that as a result of this misinformation, many people, especially businessmen, are taking advantage of the situation. Ramos has assured that the military is ready to take action in case its assistance is needed.

Agriculture Secretary Confirms Rice Importation
HK0504095789 Quezon City Sports Radio 738 in English 0400 GMT 5 Apr 89

[Text] Wholesale rice traders have agreed to sell their rice at a cut and give up their profits until such time as prices of rice are stabilized. Agriculture Secretary Carlos Donminguez disclosed this after a closed-door meeting yesterday with a group of rice millers, wholesale traders, and retailers. During that meeting the group insisted that there is no rice shortage. Secretary Dominguez said rice millers have assured him that they will put more milled rice in the market to stop the increase in the prices of rice. Rice wholesalers, for their part, said they will cut down their profit margin in the next few months to pull rice prices down to reasonable levels. The rice retailers,

on the other hand, vowed to cooperate with the National Food Authority and other agencies of government in the monitoring of rice prices in order to avoid profiteering.

Secretary Donminguez also confirmed that the importation of 250,000 metric tons of rice will push through. He said the government will still import P [pesos] 17,000-million worth of rice before the onset of the lean months of August and September. The agriculture secretary said his department will allocate the stock to the retailers.

More Troops for Bulacan To Counter NPA Crime
HK0604034389 Quezon City Radyo ng Bayan in Tagalog 0300 GMT 6 Apr 89

[Text] The military will field many more troops in Bulacan to counter extortion committed by members of the New People's Army [NPA] and the People's Liberation Army [Hukbong Mapagpalaya ng Bayan—Huks]. This was announced by the Central Luzon Military Command. Brigadier General Cesar Nazareno, PC-INP [Philippine Constabulary-Integrated National Police] Region 3 chief, warned Bulacan businessmen not to give in to NPA and Huk demands. Nazareno said the additional troops will handle problems posed by syndicates engaged in highway robbery, cattle rustling, and bank holdups in Bulacan.

Ramos Belittles MNLF New Offensive Capability
HK0604111389 Manila THE MANILA CHRONICLE in English 6 Apr 89 p 7

[Text] The Armed Forces is ready for any resurgence of violence in the South that may be initiated by the Moro National Liberation Front [MNLF] due to the reported impending return of MNLF leader Nur Misuari, Defense Secretary Fidel Ramos said yesterday.

In a press conference, Ramos belittled MNLF's capability to launch a major offensive as well as Misuari's stature as a field commander.

He explained that the MNLF had been weakened considerably by defections from the MNLF ranks because the members felt they were abandoned by Misuari.

On Misuari himself, Ramos said: "I don't think his reputation as a field commander is as good as his reputation as a propagandist."

At the same time, Ramos said the AFP's [Armed Forces of the Philippines] readiness to meet any MNLF-inspired violence in Mindanao was illustrated by its quick response to an MNLF attack in Ciraway, Zamboanga del Sur, Tuesday.

In that attack, five Muslim rebels were killed, according to Ramos.

He also said that MNLF had been hit by defections of its members to the Government.

For the first quarter of this year alone, he said, more MNLF regulars had surrendered with their firearms compared with that of the whole of 1988. But he did not cite figures.

This indicated, Ramos said, that the MNLF members were getting tired of "Misuari's neglect."

While admitting that Misuari still posed a threat to the country, he stressed: He has been a threat all along but just let him try."

During the press conference, Ramos also:

—Said that if the courts decided to allow deposed President Marcos to return, "Then let the courts have their way. After all, that is our system."

—Denied allegations by Vice President Salvador Laurel that he was not coordinating his moves with President Aquino.

"To the contrary we do have very good linkages with the President specially in regard to peace and order," he said.

He added that this week, the President would provide over a separate cabinet meeting devoted to national security.

Ramos Warns of Swift Response to MNLF Attacks
HK0604015989 Manila Far East Broadcasting Company in English 2300 GMT 5 Apr 89

[Text] Defense Secretary Fidel Ramos warned that the military will take swift counteraction against any armed provocation by the Moro National Liberation Front [MNLF]. Ramos made the warning following another threat by self-exiled MNLF Chairman Nur Misuari to return to the country to resume hostilities in Mindanao. Ramos said the Armed Forces responded last Monday when a 40-man MNLF force attacked an Army patrol in Banabota, Sirawai, Zamboanga del Norte, killing 5 MNLF rebels and wounding 3 others. He confirmed that military forces in Mindanao are on full combat alert for any outbreak of hostilities initiated by the MNLF.

Ramos Assails Misuari Over Spy Charge
HK0604105189 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Apr 89

[Text] Defense Secretary Fidel Ramos has assailed Moro National Liberation Front Chairman Nur Misuari for charging that there are about 10,000 Filipino workers in the Middle East who are being used as spies by the Mossad, Israel's secret service.

According to Ramos, Misuari's accusation is an insult to the Filipino people and to the country. Misuari earlier claimed that these Filipinos are being used by the Mossad to spy on Arab countries.

Meanwhile, Secretary Ramos has placed all forces of the Southern Command on full combat alert in preparation for a possible outbreak of hostilities initiated by Muslim rebels in the south and in central Mindanao. When reporters asked Ramos to comment on the strength of Misuari's forces in the south, he said: He'd rather not try to launch an offensive.

Thailand

Reaction to Vietnamese Troop Withdrawal Statement

SRV, PRK 'Key Concessions' Evaluated
BK0504010589 Bangkok THE NATION in English 5 Apr 89 p 1

["Exclusive" by Kawi Chongkitthawon]

[Text] Vietnam will pledge an early unconditional troop withdrawal and the People's Republic of Kampuchea (PRK) plans to announce two key concessions in separate statements on the Kampuchean conflict today, high-level sources told THE NATION last night.

The sources said Vietnamese Foreign Minister Nguyen Co Thach would make an afternoon announcement promising a full troop pullout from Kampuchea by September of this year, regardless of the state of the peace process.

PRK Prime Minister Hun Sen plans a simultaneous announcement, the sources said, to publicize two fresh concessions on what analysts have termed the "internal aspects" of the conflict: the presence of an international control commission and the shape of a four-party provisional government which will organize national elections.

The sources said Hun Sen's statement would include specific references to the composition and function of the international body.

According to the sources, Vietnam's declaration will be offered as its "last concession" aimed at bringing peace to Kampuchea.

In past pronouncements, Hanoi has pledged to withdraw its troops from Kampuchea by September only in the event of a political settlement to the ten-year-old war. Without a settlement, Vietnamese officials have said, the withdrawal would not be completed until December 1990.

Khmer resistance leader Prince Norodom Sihanouk and PRK Prime Minister Hun Sen are scheduled to meet for talks at Jakarta on May 2.

Vietnamese Ambassador Le Mai is expected to convey Vietnam's new proposal to Foreign Minister Sitthi Sawetsila this morning, the sources said. They said Thai Prime Minister Chatchai Chunhawan had been unable to meet with the envoy yesterday evening.

Before leaving for an official visit to India last week, Chatchai was told by a senior Thai military official that the PRK would make major concessions on the domestic aspects of the Kampuchean problem.

The military official crossed the Lao border for a meeting in Vientiane with a top-level official of the PRK, the sources said. That official turned over a letter from Hun Sen that detailed the PRK's new positions.

The concessions by Vietnam and the PRK would follow a period during which Chatchai's policy initiatives have come under strong fire from ASEAN countries, as well as China and the US.

The Thai Premier met Hun Sen here in January, in a move to end an impasse on the Kampuchean issue. Critics said the invitation weakened a long-held ASEAN position and undermined a peace plan tabled by Prince Sihanouk.

Hun Sen's letter, written in Khmer, reportedly informed the Thai military official that the PRK had pressed Vietnam to move up its timetable for a troop withdrawal.

According to the sources, the PRK letter also proposed the establishment of a "Supreme National Reconciliation Council," comprising representatives of the four warring factions. The council would oversee elections, and the international control commission would ensure a peaceful transition after the last Vietnamese troops leave Kampuchea.

The letter said the PRK government would not be dismantled, and would remain responsible for economic and social affairs within Kampuchea. The council would fall under the leadership of Prince Sihanouk and would handle military and political matters.

Sihanouk has suggested that each faction be limited to a 10,000-man force.

A senior Thai government official said Vietnam's new flexibility was aimed at pre-empting a Sino-Soviet summit scheduled for mid-May.

"Vietnam will come all out, to support Chatchai's initiative with acts," the official said. He added that preparations were underway for Chatchai to visit Vietnam.

Previously, the Premier has said he would visit Vietnam only after the completion of a troops withdrawal.

Chatchai Welcomes Announcement

BK0504011989 Bangkok *BANGKOK POST* in English
6 Apr 89 pp 1, 3

[Excerpts] Prime Minister Chatchai Chulhavan and Foreign Minister Sitthi Sawetsila yesterday welcomed Vietnam's announcement to withdraw all its troops from

Kampuchea by the end of September. The announcement, issued in a joint declaration by Vietnam, Laos and the People's Republic of Kampuchea (PRK), was made by Vietnamese Foreign Minister Nguyen Co Thach in Hanoi and PRK Premier Hun Sen in Phnom Penh yesterday. The text was also released in Bangkok by the Vietnamese Embassy. [passage omitted]

Speaking at his Soi Ratchakhru home last night, Gen Chatchai welcomed the news, saying it was about time "all this fighting" ended because Thailand had been affected by it for a long time. He said that hundreds of Thais had suffered, losing their lives or their homes in shelling from across the border. Gen Chatchai said the world wants peace, adding that he did not think the Vietnamese would go back on their word because they had announced their intentions to the world. The Premier said that once fighting has stopped, trade can begin, as it did between Thailand and Laos after they stopped fighting over Ban Rom Klao. "Today (yesterday) is my birthday and this is certainly good news," the Premier added. ACM [Air Chief Marshal] Sitthi also welcomed Vietnam's announcement. "When I met Vietnamese Foreign Minister Nguyen Co Thach in February, I asked him to set a good example and honour their word by withdrawing from Kampuchea this September. "The withdrawal announcement is the response to my request to Thach," ACM Sitthi said, adding that he had asked Vietnamese Ambassador Le Mai to convey his thanks to Mr Thach. [passage omitted]

Spokesmen Comment on Pledge

BK0604012989 Bangkok *THE NATION* in English
6 Apr 89 pp 1, 2

[Excerpts] Thailand yesterday welcomed Hanoi's announcement to withdraw its remaining troops from Kampuchea by September but said further study and negotiations are needed on details of the peace initiative. Vietnam, the People's Republic of Kampuchea (PRK) and Laos last night released a joint statement on the unilateral military pullout. Together with the troop withdrawal, the statement calls for an end to all external military aid to the Khmer factions and all foreign "interference" and the "non-return" of Khmer Rouge dominance. This must also be achieved by September. [passage omitted]

Government spokesman Suwit Yotmani said the statement shows their desire for peace. It is also a way to solve their internal economic problems. "It is tantamount to their support for the prime minister's policy of turning the Indochinese battlefields into a trade zone and a success of joint international efforts, especially the Soviet Union, China and ASEAN," He said.

Suwit said that Vietnam's proposal for the revival of the ICSC [international control and supervision commission] to supersede the International Control Commission (ICC) proposed by Thailand remains an inconclusive point which has yet to be studied by all parties

concerned. "The ICC is being asked not only to verify the troop withdrawal but also to maintain order during the fragile transition period by balancing the four Khmer groups' forces," he said. ASEAN, the resistance movement and its allies have called for an international peace-keeping force or an effective ICC with armed personnel to achieve these objectives. The statement said the expanded ICSC could have "appropriate" staff numbers, which can be armed for "self defence" and carry out its assignment "on the basis of respect for the sovereignty of Kampuchea". Armed Forces Spokesman Maj Gen Narudon Detpradiyut said not only the Thai villagers living on the Thai-Kampuchean border but the whole [as published] would be happy if Vietnamese troops did leave Kampuchea as early as September. "If Vietnam means what it says, then it should start the pullout in this dry season. It would be that much more difficult if left till the rainy season," the spokesman said.

Pullout Said Not 'Central Issue'

BK0604014589 Bangkok BANGKOK POST in English
6 Apr 89 p 6

[Editorial: "A Welcome Withdrawal"]

[Text] The announcement yesterday that Vietnam intends to withdraw all its troops from Kampuchea by September of this year is of course welcome news to all those seeking an end to the decade-old Kampuchean problem. However, judging from Hanoi's track record on making good on announced troop withdrawals, it is perhaps premature to think that a long-awaited breakthrough has finally been achieved. Furthermore, getting Vietnamese troops out of Kampuchea is no longer the central issue in the dispute. A Vietnamese pullout has been accepted by most Khmer factions as a fait accompli, and the only question mark has been the matter of timing. Of greater importance in recent months has been the subject of what sort of administration will take power in Phnom Penh when Hanoi finally returns to minding its own business. At the centre of the Kampuchea problem now stand the Khmer Rouge and what role they will play in a political settlement. There is also the ongoing diplomatic friction between resistance leader Prince Norodom Sihanouk and Phnom Penh Premier Hun Sen, who will likely meet again in the near future. The Vietnamese, as it turns out, are now background players in a conflict of their making. Vietnam now has an estimated 70,000 soldiers in Kampuchea. Theoretically they could emulate the Soviet Union's lightning retreat from Afghanistan and be home within weeks. It is unclear why Hanoi chose September as the month to play peacemaker, or if the Vietnamese will even honour their pledge. A lot can happen between now and then. The focus of the dispute, therefore, remains with the clashing Khmer factions, and all sides continue looking to the Sino-Soviet summit meeting in May for an indication as to Moscow's commitment to guaranteeing Hanoi's compliance with a Kampuchea peace plan, and Beijing's willingness to cut off military supplies to the

Khmer Rouge. Afterwards, it is hoped the Khmer factions will find sufficient common ground to devise a workable framework for a post-occupation government. Hanoi is to be commended for contributing to the hopes of detente now surrounding the Khmer peace process. However, final judgement on Vietnam's sincerity and intentions will have to be withheld until that day when the last Vietnamese soldier crosses the border.

Paper Views Pullout Pledge

BK0604014989 Bangkok THE NATION in English
6 Apr 89 p 8

[Editorial: "Vietnam's Decision Makes a Lot of Sense"]

[Text] Hanoi's declaration yesterday to withdraw all its troops from Kampuchea by September has rightly been welcomed in Thailand as a timely decision. It will, we believe, add new momentum to the international efforts to resolve the Kampuchean conflict. The Vietnamese decision doesn't really represent a new concession because Hanoi had earlier pledged, on several occasions, to complete the pullout by September but backed down from acting on the pledge by adding new conditions during the second informal meeting on Kampuchea in Jakarta (JIM-2) last February. China quickly responded by refusing to resume talks with Vietnam on the Kampuchean conflict and strongly urging Thailand and ASEAN, coordinating their actions in a unified front, to continue putting pressure on Vietnam. The Soviet Union, too, was caught in an awkward situation. On the one hand, it doesn't want to see its normalization of relations with China hampered by Kampuchea. On the other hand, it doesn't want to look as though it is arm-twisting Vietnam to end the military occupation of Kampuchea. Indonesia was disappointed by Vietnam's renewed intransigence at JIM-2. And Thailand was virtually rebuked by China for hurting the anti-Vietnam unified front with the initiative of Prime Minister Gen Chatchai Chunhawan of turning the war zone of Indochina into a trade zone. By reaffirming its intention to call home all of its troops in Kampuchea by September, Hanoi indirectly placates Premier Chatchai and absolves him from the blame of stalling the peace process in Kampuchea with his Indochina initiative. Now Premier Chatchai can make arrangements to visit Hanoi in September to witness the return of the Vietnamese troops from Kampuchea. Vietnam also tries to please Indonesia, which is chairman of JIM and Vietnam's best friend in ASEAN, by endorsing JIM as the framework for discussing the Kampuchean question and inviting Indonesia to participate in an international control mechanism for the supervision of the troop withdrawal and cessation of interference and military aid to all Khmer parties from the outside. Hanoi's renewed pledge to complete the troop withdrawal by September can also be seen by both China and the Soviet Union as a positive development. Therefore the two superpowers can justify talking about their normalization of relations in the Beijing Sino-Soviet summit in mid-May. Now China may invite Vietnam to resume talks on Kampuchea in Beijing. Talks on normalization of the Sino-Vietnamese relations could also follow. Evidently

there are several positive consequences of the Vietnamese complete withdrawal from Kampuchea. But in order to make sure that all Vietnamese troops will have actually left by September, there must be a credible verification process by an impartial international mechanism. Such mechanism must also make sure that all external interference and military aid to the Khmer parties stop after all the Vietnamese troops have been withdrawn. At the same time, the four Khmer parties will have to step up their efforts in narrowing their differences and working together to achieve national reconciliation. Now both the three resistance parties in the CGDK [Coalition Government of Democratic Kampuchea] and the pro-Hanoi PRK [People's Republic of Kampuchea] party are talking tough. Yet Prince Norodom Sihanouk, leader of the Khmer resistance, and Hun Sen, leader of the PRK, have agreed to meet in Jakarta on May 2. Thailand need not worry if the Khmer parties don't want to settle their problems in a compromise. The primary threat to Thailand's national security is the presence of a large number of Vietnamese troops in Kampuchea. After all of the Vietnamese troops have been withdrawn, Thailand may not even care which party comes to power in Kampuchea.

Border Villages Hit by Artillery Fire From Cambodia

BK0604095389 Bangkok MATICHON in Thai
6 Apr 89 p 22

[Text] On 5 April at 1255, troops of the Vietnam-backed Heng Samrin Regime, based at the Kilometer 4 artillery outpost on Highway 5 linking Poipet and Sisophon, fired 15 rounds from 122 mm and 130 mm guns as well as 8 rounds of 140 mm rockets into Group-9, Group-1 and Group-5 villages, in Tambon Khlong Nam Sai, Aranyaprathet District, Prachin Buri Province. A 41-year-old man, Khamta Ketlamnao, of Group-5 village, was hit in the hip by shrapnel. He was brought to Aranyaprathet Hospital. Five houses were demolished. Thai soldiers did not return fire.

Our reporter said that, after the Vietnamese fire died down, people of Tambon Khlong Nam Sai were evacuated from the border area for the third time since 21 March. The villagers had just returned to their homes on 30 March following a firing incident on 24 March.

Methods Used in U.S. 'Trade Disputes' Viewed

BK0504095689 Bangkok NAEON in Thai
4 Apr 88 p 4

[Editorial: "Don't Confront the United States"]

[Text] The International Economic Relations Policy Committee is finding ways not to put Thailand in a corner when facing the United States in trade disputes. A method being considered by the Thai side is to put pressure on U.S. diplomats, individuals or companies that trade with Thailand. Thailand might even pressure the U.S. aircraft manufacturing company of which Thailand is a customer under a multi-billion dollar contract.

The main cause of the problem is that the Thai Government has maintained its firm position against protection of the U.S. intellectual property. Thailand and the United States have held rounds of talks on this issue for about 2 years and have not yet reached an agreement. The United States, therefore, decided to implement retaliatory measures against Thailand by cutting the Generalized System of Preferences (GSP) privileges for Thai products, followed by the implementation of Section 301 of the U.S. trade act.

We would like to warn the Thai Government to be very careful in fighting a superpower like the United States. In the past, Thailand could have a big say because the United States was satisfied with Thailand being its faithful follower. After the end of the war in Indochina, the United States abandoned all of Southeast Asia. Thailand has freely carried out its own policy since 1975. Over the past dozen years, Thailand has developed to become a country capable of exporting many industrial goods, with the United States as the main market for its products. Thai goods can compete with goods from other countries thanks to the GSP privileges. Without the GSP privileges, Thailand would not have been able to expand its production and export volume to this level. Several items, such as ready-made garments and jewellery, have exceeded the quotas set under GSP privileges. However, there are a number of products that still depend on GSP privileges. Therefore, any strong reaction from Thailand which might draw U.S. retaliation would only put Thailand at a disadvantage. We suggest that Thailand revise its measures against the United States. It is not right for Thailand to maintain a strong position and demand favors from the United States using past good relations as justification. The United States is taking the offensive against Thailand just for the sake of its own economic benefit. Thailand should adopt a flexible strategy. In trade, there must be some give and take between the two parties concerned.

Singapore Softens Stand on Illegal Workers

BK0204021689 Bangkok BANGKOK POST in English
2 Apr 89 pp 1, 3

[Text] Singapore does not mean to carry out its threat to cane illegal Thai workers who failed to leave the country by the Friday midnight deadline, a top Thai official said in Singapore yesterday. Deputy Foreign Minister Praphat Limpaphan said Singapore had softened its stand after he told his Singaporean counterpart that there would be an angry public reaction in Thailand if Singapore went ahead with the canings. Mr Praphat Suthanukun, and Thai Ambassador to Singapore Atsada Chayanam met Singapore's Minister of National Development S. Dhanabalan, Deputy Minister of Home Affairs and Development Lee Boon Yang and Deputy Foreign Minister Peter Sung to discuss the illegal Thai workers. Mr Praphat said after the meeting that Singapore did not intend to cane Thai workers caught without work permits or visas. However, he said, it would take into consideration whether violators had overstayed their

visas by more than 90 days, had intentionally worked illegally in Singapore or had been lured in. He also said that several Singapore MPs [members of parliament] were opposed to the tough new law. His meeting with the Singapore ministers had been very fruitful, he said. Singapore had also said that it wanted the Thai workers to return, he said, adding, "It wants 2-3 times more than have been kicked out." Mr Praphat said 9,656 Thai workers had been repatriated, among them about 2,000 who had their passports seized by their Singaporean employers. "They (the ministers) were astonished by what we told them and pledged to take action against the employers," he said. Yesterday, the Thai ship "HMS Surin" sailed from Sembawang wharf in Singapore with 835 Thai workers on board. Meanwhile, Deputy Interior Minister Watthana Atsawahem said he will study how to help Thai workers returning from Singapore from facing prosecution for illegally leaving the country to work abroad without permission from the Labour Department. He said he had promised the workers while they were in Singapore that no legal action would be taken against them but he was not sure whether he could work this out. "It is very crowded in the prisons here and I don't think we have enough space for them," Mr Watthana said.

Chawalit Defends Mid-Year Military Reshuffle

BK0404104589 Bangkok THE NATION in English
4 Apr 89 Afternoon Edition p 2

[Text] Acting Supreme Commander Gen Chawalit Yongchaiyut this morning defended the mid-year military reshuffle against criticism that the move ran counter to his own policy of reducing the size of the defence forces.

The mid-year reshuffle, effective April 1, saw the promotions of 180 military officers, of whom two were made full generals, 10 promoted to become lieutenant generals and 50 other special colonels made major generals.

Chawalit said the mid-year reshuffle had been worked out in a way to allow "rotation" of jobs and "promotions" of the less senior officers.

The move was launched because the advancement of middle-ranking officers has stagnated due to the fact that top-brass generals have been holding the same offices for five years, he said.

"It's not an expansion of the armed forces as such," Chawalit told reporters at the Army Convention Hall.

Chawalit, concurrently army commander in chief, said the mid-year reshuffle was also aimed at upgrading the younger officers' ranks to the same level of comparable permanent officials in other government agencies.

The changes include the upgrading of a company commander's rank from captain to major and of a battalion commander's rank from lieutenant colonel to colonel.

He said in the past, battalion commanders sat in the front row in a joint meeting with administrative officers, but at present they are taking the rear seats because a district officer now carries the rank of C-8 while a governor has the rank of C-10 or C-11.

The gap should be bridged because the armed forces are now assuming greater roles in tackling national problems and promoting development, Chawalit said.

Vietnam

Further on Announcement on Troop Withdrawal

Joint Statement on Troop Withdrawal

BK0504162889 Hanoi VNA in English 1455 GMT
5 Apr 89

[Joint declaration of the Governments of the People's Republic of Kampuchea, the Lao People's Democratic Republic and the Socialist Republic of Vietnam on the total withdrawal of Vietnamese volunteer forces from Kampuchea" released at the SRV Foreign Ministry in Hanoi 5 April]

[Text] Hanoi VNA April 5—The following joint declaration of the Government of the People's Republic of Kampuchea, the Lao Democratic People's Republic and the Socialist Republic of Vietnam on the total withdrawal of Vietnamese volunteer forces from Kampuchea was released at a press conference called by the Vietnamese Foreign Ministry here this afternoon:

1. Within four years in power from April 1975 to January 1979, the genocidal Pol Pot regime massacred three million Kampuchean people and unleashed a war against neighbouring Thailand, Laos and Vietnam. Especially, the genocidal Pol Pot regime turned down all proposals for peaceful negotiations put forward by Vietnam. At the end of 1977, it broke off diplomatic relations with Vietnam and mustered up most of its Armed Forces to launch large-scale aggression against the southern part of Vietnam's territory, murdering tens of thousands of Vietnamese in the border area. In the face of such obstinacy on the part of the Pol Pot clique, the Socialist Republic of Vietnam had to resort to her legitimate right of self-defence to safeguard her sovereignty and territorial integrity. At the same time, in response to the appeal of the National United Front for the Salvation of Kampuchea and the people of Kampuchea, Vietnamese volunteer forces were sent to Kampuchea to fight shoulder to shoulder with the Armed Forces of the National United Front and with the people of Kampuchea, overthrowing the Pol Pot regime, saving the Kampuchean people from the scourge of genocide and extinguishing a hotbed of war in South East Asia.

The action undertaken by the Vietnamese forces was legitimate and in full conformity with the principles of the Non-Aligned Movement and the United Nations Charter concerning the legitimate right of self-defence of

states and the right to help each other against the scourge of genocide. This action has won the sympathy and support of peace-and-justice-loving people worldwide.

2. Over the past ten years, inspired by the spirit of self-reliance, the intelligent, courageous and creative Kampuchean people have, with the valuable assistance of Vietnam, Laos, the Soviet Union and other friends over the world, rapidly reemerged from the hell of the Pol Pot genocide. The People's Republic of Kampuchea has been steadily growing stronger, controlling the entire territory and securing a stable and even better life for the Kampuchean people. Since 1982, prompted by the all-round development of the People's Republic of Kampuchea, Vietnam has annually withdrawn part of her forces despite the fact that the Pol Pot clique has, with foreign support, spared no efforts to oppose the rebirth of the Kampuchean people in its attempt to re-establish the genocidal regime in Kampuchea. With the seventh troop withdrawal from Kampuchea, by the end of 1988, three quarters of the Vietnamese volunteer forces in Kampuchea have been pulled out. All the while, the People's Republic of Kampuchea, the Lao Democratic People's Republic and the Socialist Republic of Vietnam have, out of good-will put forward successive proposals for a comprehensive solution to the Kampuchean question on the basis of respect for the Kampuchean people's right to self-determination, to a life once and for all freed from the genocidal pol pot regime and to build a peaceful, independant, neutral and non-aligned Kampuchea.

In order to settle the Kampuchea question by political means, the uppermost concern of world public opinion at present is the need for concrete measures to prevent the danger of the re-establishment of the genocidal Pol Pot regime in Kampuchea in the wake of the total pullout of Vietnamese forces. The first and second informal meetings of the South-East Asian countries and the Kampuchean parties held in Jakarta (JIM-1 [Jakarta informal meeting], JIM-2) have reached a basic agreement on the substance of a settlement of the Kampuchean question in its international aspect, linking closely the withdrawal of Vietnamese volunteer forces from Kampuchea with the prevention of the return of the genocidal Pol Pot regime, with the cessation of foreign interference, with the cessation of foreign military aid to all the Kampuchean parties, and with the prevention of civil war, the setting up of an effective international control mechanism for the implementation of the above-mentioned provisions, the convening of an international conference to guarantee the independence, neutrality and non-alignment of Kampuchea and the agreements reached. The People's Republic of China and several other countries concerned have solemnly declared their complete cessation of military aid to all the Kampuchean parties concurrently with the total withdrawal of Vietnamese forces from Kampuchea.

At the same time, the parties participating in those two conferences agreed to respect the principle where-by the international problems of Kampuchea must be settled by

the Kampuchean parties themselves without any interference and intervention from outside.

3. The People's Republic of Kampuchea, the Lao Democratic People's Republic and the Socialist Republic of Vietnam reiterate once more their earnest desire for a comprehensive solution to the Kampuchean question meeting the interests of the Kampuchean people as well as the legitimate interests of the countries concerned and conforming with the aspiration of the people in South-east Asia and the world; and they will do all within their power to this end. They hold that there actually exists a possibility to immediately implement the resolutions reached at JIM-1 and JIM-2 and the commitments made by the countries concerned that the total pullout of the Vietnamese forces from Kampuchea is closely linked with the prevention of the re-establishment of the genocidal Pol Pot regime and the cessation of military aid to all the Kampuchean parties as well as the cessation of all foreign interference. The fulfilment of those resolutions and commitments with stimulate the settlement of the Kampuchean question in its internal aspect.

4. In this spirit, the People's Republic of Kampuchea, the Lao Democratic People's Republic and the Socialist Republic of Vietnam solemnly declare the following :

A) The total withdrawal of Vietnamese volunteer forces from Kampuchea and the cessation of foreign interference, and of all foreign military aid to all the Kampuchean parties must be achieved by the end of September 1989 in conformity with the resolution and commitment already made. For her part, Vietnam will withdraw from Kampuchea all of her forces by the end of September 1989.

B) In fulfilment of the agreements reached at the JIM-2 on the tasks and mechanism of international control, the International Control and Supervision Commission for the implementation of the 1954 Geneva agreements on Kampuchea comprising India, Poland and Canada is invited to resume its activities with the participation of the chairman of JIM and a personal representative of the secretary-general of the United Nations with the immediate purpose of supervising and controlling the withdrawal of Vietnamese forces as well as the cessation of foreign interference and of foreign military aid to the Kampuchean parties. The international commission may increase its staff to an appropriate level and be allowed to carry such weapons as needed for self-defence and for the effective performance of its tasks on the basis of respect for the sovereignty of Kampuchea.

C) The People's Republic of Kampuchea, the Lao Democratic People's Republic and the Socialist Republic of Vietnam call upon all the countries and parties concerned to implement the resolutions and commitments concerning the total withdrawal of Vietnamese forces as well as the cessation of interference into the internal affairs of Kampuchea, and the cessation of military aid to the Kampuchean parties. The total withdrawal of

Vietnamese forces and the cessation of all foreign interference and all military aid will put an end to the civil war and stimulate the Kampuchean parties to settle the internal aspect of the Kampuchean question before September 1989 on the basis of national reconciliation. After the total withdrawal of Vietnamese forces, if foreign countries do not honour their commitments to put a complete end to the military aid to the Kampuchean parties, especially the Pol Pot clique, to cease all interference into the internal affairs of Kampuchea, such a course of action would amount to undermining a political settlement of the Kampuchean question, facilitating the re-establishment of the genocidal Pol Pot regime in Kampuchea, rekindling the civil war, violating the independence, sovereignty and territorial integrity of Kampuchea and thereby undermining the peaceful life of the Kampuchean people as well as peace in South East Asia. In this eventuality, the People's Republic of Kampuchea would reserve for itself the legitimate right to call on other countries to give assistance to the Kampuchean people to defend themselves in full accordance with the provisions of the United Nations Charter and the principles of the Non-Aligned Movement.

D) The People's Republic of Kampuchea, the Lao People's Democratic Republic and the Socialist Republic of Vietnam call upon other countries to encourage the meetings between Chairman Hun Sen and Prince Sihanouk, and those among the Kampuchean Parties so as to reach an early agreement on the settlement of the Kampuchean question in its internal aspect in the spirit of national reconciliation and to inform the chairman of JIM of the outcome of the meetings within four months or sooner as agreed upon so as to allow JIM-2 to continue as early as possible its proceedings and arrive at conclusions.

The People's Republic of Kampuchea and the Lao People's Democratic Republic value highly the great services (rendered) to the Kampuchean people by the Vietnamese volunteer forces who have successfully discharged their lofty obligation and will totally be withdrawn by the end of September 1989. This further reflects clearly the consistent policy of the Socialist Republic of Vietnam who has lent wholehearted and disinterested assistance to Kampuchea and strictly respected the independence, sovereignty and territorial integrity of Kampuchea.

The Kampuchean people and the government of the People's Republic of Kampuchea will forever bear in mind the services of the Vietnamese cadres and volunteer forces who have sacrificed themselves to help Kampuchean people in their struggle to defend and build a new life against the genocidal Pol Pot clique backed by outside forces.

The People's Republic of Kampuchea, the Lao People's Democratic Republic and the Socialist Republic of Vietnam are confident that with the efforts of all the parties concerned the Kampuchean question will soon be solved

by political means, South East Asia will be built into a zone of peace, stability, friendship and cooperation, in full conformity with the interests and aspiration of the peoples of South East Asia and the world.

Nguyen Co Thach Speaks on Pullout

*BK0504164789 Hanoi VNA in English 1555 GMT
5 Apr 89*

[Text] Hanoi VNA April 5—Foreign Minister Nguyen Co Thach made clear at a press conference here this afternoon that Vietnam's decision to withdraw all its troops from Kampuchea by the end of September this year is made in compliance with the agreements and commitments reached at the two informal meetings in Jakarta and the commitment of China and interested parties to cease all military aid to the Kampuchean sides as the pullout takes place.

The press conference was one of the biggest ever in the Vietnamese capital attended by the ambassadors and staffs of many foreign embassies. The joint declaration of the Kampuchean, Lao, and Vietnamese governments was made public at the conference.

Asked about the possible impact of this important move, Nguyen Co Thach said two possibilities are open: Either it will accelerate the settlement of the Kampuchea issue if all the other parties abide by their commitments at JIM-1 and JIM-2, or a full-scale civil war will break out if the other parties continue to interfere in the internal affairs of Kampuchea and to supply military aid to the opposition parties in Kampuchea. In the latter case they will have to shoulder all responsibility, he said.

Asked by the Czechoslovak television if he thought Vietnam might have to return to Kampuchea, Nguyen Co Thach said: "If the Pol Potists take advantage of the total pullout of Vietnamese volunteers to reestablish their genocidal regime, Kampuchea as a sovereign state has the right to ask again for Vietnam's assistance. But Vietnam would cede this privilege to those countries which have so far loudly demanded Vietnam's withdrawal. Only in case they decline their responsibility shall we respond to the call for help."

A correspondent of ASIaweek asked if this is a change of mind of Vietnam which now decides to withdraw troops unconditionally, Nguyen Co Thach said: "No, that's not a change of mind, but we are only honouring the commitments at JIM-1 and JIM-2."

About the International Commission of Control Nguyen Co Thach said "If the other countries accept the formula about the international commission of control as proposed by the three Indochinese countries, that would be the best solution. If they raise objections we are ready to discuss with them on the most appropriate form for the control of the Vietnamese troop withdrawal as well as of the cessation of military aid to all Kampuchea sides."

The correspondents of CTK and XINHUA asked Nguyen Co Thach to comment on the role of Prince Sihanouk. The Foreign Minister said: "His role depends on his usefulness. If he goes along with his people to oppose Pol Pot he will retain a necessary and worthy role. If he goes with Pol Pot to oppose the people his role will be even lower than Pol Pot's."

NHAN DAN Hails Pledge

BK0604045589 Hanoi Domestic Service in Vietnamese
2300 GMT 5 Apr 89

[NHAN DAN 6 April editorial: "Our Shining Goodwill"]

[Text] On 5 April 1989, the Governments of the People's Republic of Kampuchea [PRK], the Lao People's Democratic Republic [LPDR], and the SRV issued a joint statement on the total repatriation of Vietnamese Army volunteers from Cambodia. This document announces to the world a new agreement of great significance reached by the three countries to solve the Cambodian issue. Noting that there now actually exists a possibility to immediately implement the resolutions reached at the JIM 1 and JIM 2, the PRK, the LPDR, and the SRV solemnly declared that the total withdrawal of Vietnamese volunteer forces from Cambodia and the cessation of foreign interference and all foreign military aid to all Cambodian parties must be achieved by the end of September 1989 in conformity with the resolution and commitment already made. For its part, Vietnam will withdraw all its forces by the end of September 1989.

The three countries proposed to invite the International Control and Supervision Commission for the implementation of the 1954 Geneva Agreements on Cambodia comprising India, Poland, and Canada to resume its activities with the participation of the chairman of JIM and a personal representative of the UN secretary general with the immediate purpose of supervising and controlling the withdrawal of Vietnamese forces as well as the cessation of foreign interference and foreign military aid to the Cambodian parties.

This decision by the PRK, Laos, and Vietnam has further clarified the determination and goodwill of the three countries to reach a solution to the Cambodian issue. It reflects the rapid revival of the people of the Land of Angkor from the abyss of genocide and the comprehensive growth of the PRK which has had an increasingly firmer control over the entire territory and the people's livelihood. It also testifies to the serious attitude of the three countries in squaring their words with deeds and honoring their commitments at JIM 1 and JIM 2.

The 5 April joint statement of the PRK, the LPDR, and the SRV is a new peace initiative imbued with responsibility and good will that reflects the unswerving policy of peace pursued by the three fraternal countries on the Indochinese Peninsula. This initiative conforms to the

general trend of our time, the rapid developments in the region, and the actual situation in Cambodia. The seven phases of withdrawal of Vietnamese volunteer forces since 1982, the untiring efforts undertaken by the three countries to seek an equitable and rational solution to the Cambodia issue and the question of peace and stability in Southeast Asia, their positive contributions to the results of the Jakarta meetings, and the most recent decision to withdraw all Vietnamese volunteer forces from Cambodia by the end of September 1989—all this constitutes a whole process of positive struggle carried out with a high sense of responsibility by the three countries in furtherance of the cause of peace, stability, cooperation, and development in the region.

The 5 April joint statement points out that the PRK, Laos, and Vietnam earnestly desire and will do their best for an early, progressive solution to the Cambodian issue and that the implementation of the commitments and agreements already reached on the total withdrawal of Vietnamese forces from Cambodia is closely linked with the prevention of the reestablishment of the genocidal Pol Pot regime and the cessation of military aid to all the Cambodian parties as well as the cessation of all foreign interference. This will create conditions for promoting the settlement of the internal aspect of the Cambodian issue.

We request that all parties concerned honor their commitment to prevent the comeback of the genocidal Pol Pot regime, end military aid to the opposing parties, and stop their interference. They also have the responsibility to encourage and promote meetings between Chairman Hun Sen and Prince Sihanouk and those among the Cambodian parties so as to reach an early agreement on the settlement of the internal aspect of the Cambodian issue. It is hoped that the parties concerned will prove their sincerity by concrete action in carrying out the commitments they solemnly declared in the event of a total withdrawal of Vietnamese volunteer forces from Cambodia. Whether a comprehensive solution to Cambodia comes sooner or later depends on their attitude.

After the total withdrawal of Vietnamese forces, if foreign military aid to the Cambodian parties, especially the genocidal Pol Pot clique, did not cease and foreign interference into Cambodia's internal affairs continued, the forces that allowed this to happen would be deliberately undermining a political solution to Cambodia, creating conditions for the genocidal Pol Pot regime to reestablish itself in that country, rekindling the civil war, violating the independence, sovereignty, and territorial integrity of Cambodia, and sabotaging peace in Southeast Asia. In this eventuality, the PRK would reserve for itself the legitimate right to call on other countries to help the Cambodian people defend themselves in strict accordance with the UN Charter and the principles of the Nonaligned Movement.

In less than 6 months, all the remaining Vietnamese Army volunteers in Cambodia will go home. Our people receive this decision with great pride because we have

fulfilled our lofty internationalist duty toward the fraternal Cambodian people. We express our closest and most affectionate sentiments toward the combatants on internationalist duty and will be making the best preparations for welcoming them home after they outstandingly fulfill their tasks.

Once again, mankind witnesses the splendid manifestation of the SRV's consistent policy of wholehearted and disinterested assistance toward the fraternal Cambodian people and of absolute respect for the independence, sovereignty, and territorial integrity of Cambodia. Our just stance and good-willed attitude are very clear. As pointed out in the 5 April joint statement, the PRK, the LPDR, and the SRV are confident that with the efforts of all the parties concerned, the Cambodian issue will soon be settled by political means and Southeast Asia will become a zone of peace, stability, friendship, and cooperation in conformity with the interests and aspiration of the peoples of Southeast Asia and the world.

Commentary on Joint Statement

*OW0504143989 Hanoi International Service
in Mandarin 1130 GMT 5 Apr 89*

[Station commentary: "The Turning Point of the Cambodian Revolution"]

[Text] The joint statement issued by the Cambodian, Lao, and Vietnamese Governments today is a major event of historic significance. It is a turning point of the Cambodian revolution. Historically, it marks the third withdrawal of Vietnamese volunteers from Cambodia after they have successfully accomplished their missions there. This has powerfully proved Vietnam's pure proletarian internationalist spirit and its consistent principle which is: Complete respect for the independence, sovereignty, and territorial integrity of Cambodia and other countries.

Because of this statement, such vilifications as the so-called Vietnamese aggression of Cambodia and the Vietnamization of Cambodia have burst like bubbles. It also proves that the Cambodian revolution has been developing by leaps and bounds.

Because of the revolutionary attitude of the Republic of Cambodia, Laos, and Vietnam in recent years, the just and steady settlement of the Cambodian issue has taken a positive turn. After the two unofficial meetings in Jakarta, an agreement was basically reached with regard to the settlement of the Cambodian issue.

It is noteworthy that China and many other relevant countries have solemnly declared that, after Vietnam has withdrawn all its troops from Cambodia, they will completely stop their military assistance to [words indistinct] sides of Cambodia. Under such a circumstance, the Cambodian, Lao, and Vietnamese Governments have

stressed in their 5 April joint statement that all accords reached at the unofficial Jakarta meetings and the pledges made by relevant countries can entirely be carried out immediately.

The joint statement also clearly points out that the end of September this year will be the deadline for the withdrawal of Vietnamese volunteers from Cambodia. The withdrawal of Vietnamese troops from Cambodia is no longer an issue. The issue which the world public opinion is particularly concerned with is that specific measures must be adopted to stop the restoration of the Pol Pot genocidal system in Cambodia after the withdrawal of Vietnamese troops. Public opinion the world over is now watching whether various relevant countries and parties will honor the pledges they made in Bandung on stopping their interference and military assistance to all relevant parties in Cambodia.

What is worth mentioning is: The proposal put forth in the joint statement regarding the members of the international supervisory commission and their activities is specific, reliable, and reasonable, and it certainly will be widely endorsed by public opinion. We believe that this historic decision made by the Cambodian, Lao, and Vietnamese Governments will be widely approved and supported by public opinion the world over. This decision is [words indistinct] that keeps pace with the time and it is an important contribution to the solemn settlement of the Cambodian issue and to the cause of peace, stability, friendship, and cooperation in Southeast Asia.

Station Commentary Praises Decision

*BK0604084389 Hanoi International Service in Thai
1130 GMT 5 Apr 89*

[Station commentary: "Turning Point of Revolution in Cambodia"]

[Text] The 5 April joint statement of the Governments of the SRV, the PRK, and the LPDR is a historic event. It is a turning point in the revolution of Cambodia. This is the third [as heard] withdrawal of Vietnamese volunteer forces from Cambodia after having fulfilled their duty in an allied country. The event once again attested to the glorious spirit of proletarian internationalism and the unwavering principle of Vietnam, that is, its strict respect for the independence, sovereignty and territorial integrity of Cambodia, and of other countries as well. With this event, a slander—that Vietnam is carrying out aggression against Cambodia and is in the process of Vietnamizing Cambodia—has crumbled. The event attested to a rapidly growing strength of the revolution in Cambodia.

The well-meant attitude demonstrated by the PRK, SRV and LPDR in recent months has contributed to the positive development in the efforts to achieve a just and durable political settlement of the Cambodian problem. Agreements, at a preliminary level, were reached at JIM 1 and JIM 2 on solutions to the external aspects of the

Cambodian problem. What is interesting is the fact that the PRC and several other countries involved in the conflict have declared they will totally stop providing military assistance to all factions simultaneously with the withdrawal of Vietnamese troops from Cambodia. This is why it is emphasized in the 5 April joint statement of the Governments of the SRV, PRK, and LPDR that the situation at present makes it possible to carry out agreements reached at JIM 1 and JIM 2 and the pledges made by the countries involved.

The 5 April joint statement says clearly that the last Vietnamese troops will be withdrawn from Cambodia by the end of September this year. The question of Vietnamese withdrawal from Cambodia is no longer an issue. The major concern for the world opinion now is to find specific measures to prevent the return of the genocidal Pol Pot regime once Vietnamese troops have all been withdrawn from Cambodia. The world is watching how all countries and parties involved abide by the agreements and pledges concerning cessation of foreign interference and military assistance to the various factions in Cambodia.

It has to be added here that the proposal in the joint statement about the composition and meaning of the international control commission is logical, fair and appropriate, and, of course, will be endorsed by the entire public opinion. We believe that this historical decision of the Governments of the SRV, PRK, and LPDR will receive worldwide support and praise. It is in keeping with the present trend in the world and will greatly contribute to the political settlement of Cambodian problem in the benefit of the efforts for peace, stability, friendship and cooperation in Southeast Asia.

Troop Pullout Praised

BK0604100189 Hanoi Domestic Service in Vietnamese
1430 GMT 5 Apr 89

[Station commentary: "A Turning Point of the Cambodian Revolution"]

[Text] We have just witnessed one of the major historic events, a turning point of the Cambodian revolution. In the 5 April joint statement, the PRK, the LPDR, and the SRV solemnly declared that the total withdrawal of volunteer Vietnamese troops from Cambodia and the cessation of foreign intervention and all foreign countries' military aid to all Cambodian sides should be completed by the end of September 1989 as agreed upon and committed. For its part, Vietnam will withdraw all its troops by the end of September 1989.

Historically, this was the third withdrawal [as heard] of volunteer Vietnamese troops from Cambodia after they have fulfilled their duty on friendly territory. This event once again eloquently testifies to our pure proletarian

internationalist spirit and our consistent principles which are complete respect for the independence, sovereignty, and territorial integrity of Cambodia as well as of other countries.

With this event, such slanders as Vietnamese aggression of Cambodia and Vietnamization of Cambodia have burst like soap bubbles. This event also manifests the outstanding growth of the Cambodian revolution. As a matter of fact, under extremely woeful and seemingly insurmountable conditions, the Cambodian people not only have achieved stability but also built a new life within a short period compared to their national history. Their national economy and culture which have been restored from among the ash heaps, are developing every day. Their administration from the central to grass-roots levels is being consolidated constantly. Their Armed Forces, which have developed every day both qualitatively and numerically, are shouldering effectively by themselves national defense work.

In the international arena, the PRK enjoys ever higher position and prestige with every passing day. The PRK always remains in full control of the entire territory of Cambodia. Just as Western public opinion noted that it has been trusted and supported by a majority of the people.

The good-willed attitude of the PRK, the SRV, and the LPDR has made an important contribution to creating positive changes to reach a just and stable political solution to the Cambodian issue. At the Jakarta informal meetings [JIM 1 and JIM 2] an agreement was basically reached with regard to the settlement of international aspect of the Cambodian issue which implies that the withdrawal of volunteer Vietnamese troops from Cambodia must be linked closely to the prevention of Pol Pot from reestablishing his genocidal regime, that foreign intervention and foreign countries' military aid to all Cambodian sides must be ceased, that an internecine war be prevented, that an effective mechanism of international control over the process of implementing the aforementioned tasks be established, and that an international conference be convened to ensure the independence, neutrality and nonalignment of Cambodia.

Noteworthy is that the PRC and many other concerned countries have solemnly declared to completely stop their military aid to all Cambodian sides along with Vietnam's total troop pullout from Cambodia. In such a situation, just as the 5 April joint statement by the three Governments of Vietnam, Cambodia, and Laos stressed that it is now entirely possible to immediately implement the agreements reached at JIM-1 and JIM-2 and the commitments of concerned countries.

The joint statement also proposes to invite the international supervision and control commission in charge of the implementation of Geneva agreement on Cambodia in

1954—which included India, Poland and Canada—to be reactivated with the participation of the JIM chairman and a personal representative of UN general secretary.

This international commission is the mechanism to ensure effective supervision and control over the withdrawal of Vietnamese troops and the cessation of foreign intervention and foreign countries' military aid to all Cambodian sides. This is a reasonable, fair and satisfactory proposal.

The 5 April joint statement clearly affirmed that the deadline for the withdrawal of Vietnamese troops from Cambodia is the end of September 1989. As a result, this is no longer an issue to be discussed further. The primary concern for world public opinion is that specific measures should be taken to prevent the return of the Pol Pot genocidal regime after the total withdrawal of Vietnamese troops. The world public opinion is therefore expecting all concerned countries and parties to honor the agreements and commitments on ceasing interference and military aid to all Cambodian sides. If they fail to do so, everyone will see clearly that their demand for a total withdrawal of Vietnamese troops is merely a pretext for covering up their plots and maneuvers to foster the genocidal Pol Pot regime and return this clique to Cambodia in order to wage an internecine war in this country, threatening peace and stability in Southeast Asia. Their responsibility to history will be very great.

Under such circumstances, the 5 April joint statement by the three governments of Vietnam, Cambodia and Laos also stressed that the PRK would reserve its legitimate right to call upon all countries to help the Cambodian people defend themselves in keeping with the provisions of the UN Charter and the nonaligned movement principles.

We are convinced that the decision of the three Governments of the SRV, PRK and LPDR will be welcomed and supported by broad segments of world public opinion. This decision is in line with the trends of the era and is a paramount contribution and a political solution to the Cambodian issue and to the cause of peace, stability, friendship, and cooperation in Southeast Asia.

Czechoslovak CP Leader Jakes Arrives

LD0604085689 Prague CTK in English 0700 GMT
6 Apr 89

[By CTK correspondent]

[Text] Hanoi April 6—Czechoslovak Communist Party General Secretary Milos Jakes arrived for a friendly working visit to Vietnam today. The visit takes place at the invitation of Vietnamese Communist Party General Secretary Nguyen van Linh.

The Czechoslovak representative and his entourage were met at Hanoi Airport by Vietnamese Communist Party Politburo member and Central Committee secretary Tran Xuan Bach.

Milos Jakes is accompanied by Czechoslovak Communist Party Presidium member and Central Committee secretary Jozef Lenart, and Central Committee members—Deputy Premier Jaromir Obzina, head of a party Central Committee department Michal Stefanak, Deputy Foreign Minister Jaromir Nehera, Deputy Foreign trade Minister Jiri Nemec and Minister of the Czech Socialist Republic Without Portfolio Karel Loebel.

NHAN DAN Welcomes Visit

BK0604082489 Hanoi VNA in English 0720 GMT
6 Apr 89

[Text] Hanoi VNA April 6—Welcoming a friendship and working visit to Vietnam by a high-level Czechoslovak party and government delegation led by party General Secretary Milos Jakes, which is expected to arrive here today, the national daily NHAN DAN editorially expresses the Vietnamese people's great joy at and deep admiration for the Czechoslovak people's outstanding achievements in their socialist construction as well as in the struggle for peace and security in Europe and the world over.

The paper recalls the major achievements recorded by the fraternal Czechoslovak people in socialist construction over the past four decades and continues:

"Now, socialist Czechoslovakia is settling questions that have cropped up in the process of perfecting socialism. Under the leadership of the Communist Party of Czechoslovakia (CPC), the Czechoslovak people have carried out the reform in economic, political and other aspects of their social life with a view to taking Czechoslovakia to new highs."

"The socialist Czechoslovak state's correct foreign policy," notes NHAN DAN, "is to strive for the further consolidation and tightening of the solidarity and comprehensive cooperation with the Soviet Union, to strengthen the unity of will and actions within the world socialist system, and to vigorously support the struggle of all nations against imperialism, old and neo-colonialism, racism and Zionism. Czechoslovakia is sparing no efforts to ease world tension and contribute to the stability and peace in Europe and the world over. Its international prestige has constantly risen."

On the Vietnamese-Czechoslovak relations, the paper remarks: "Marxism-Leninism and socialist internationalism constitutes a firm basis for the close relations between our two peoples, a vivid manifestation of which is the Vietnam-Czechoslovakia Treaty of Friendship and Cooperation signed in 1980.

"We are confident that this Vietnam visit by Czechoslovak Party General Secretary Milos Jakes will contribute to furthering the solidarity, friendship and all-round cooperation between the parties, states and peoples of Vietnam and Czechoslovakia," NHAN DAN concludes.

Nguyen Van Linh, Jakes Talks Begin

LD0604101189 Prague Domestic Service in Slovak
0900 GMT 6 Apr 89

[Text] Talks opened this afternoon in the presidential palace in Hanoi between Milos Jakes, general secretary of the Communist Party of Czechoslovakia [CPCZ] Central Committee, and Nguyen Van Linh, general secretary of the Central Committee of the Communist Party of Vietnam [CPV]. Taking part in the talks on the Czechoslovak side are members of the Jakes entourage, and on the Vietnamese side other frontranking party and state officials.

The highest representatives of the CPCZ and the CPV briefed each other on the progress of the two Communist Parties in implementing the conclusions of their congresses and on the tasks tackled within the framework of the process of restructuring the management mechanism of the national economy and the democratization of social life in the two countries.

When assessing cooperation to date between the CPCZ and the CPV and between the CSSR and the SRV, attention is being focussed, above all, on seeking paths for further expanding mutually advantageous economic cooperation. Milos Jakes and Nguyen Van Linh will exchange views on topical questions of the international situation.

Council of State Communique on Session

BK0504155689 Hanoi Domestic Service in Vietnamese
1430 GMT 5 Apr 89

[Council of State communique on 3-4 April session]

[Text] The Council of State met on 3 and 4 April under the chairmanship of Vo Chi Cong.

1. At the Council of Ministers' proposal and based on the investigative report of the National Assembly Judiciary Committee, the Council of State adopted a regulation defining the organization, duty, and authority of various investigative agencies; duty and authority in investigation of the Border Defense Force, Customs and Forestry Offices. To implement the Criminal Procedure Code, the promulgation of this regulation will create a legal base for investigative agencies to carry out their activities, thereby contributing to strengthening the struggle against and prevention of crime, ensuring serious implementation of the Criminal Procedure Code, and protecting rights and legal interests of citizens.

2. After examining a report of the Council of Ministers and an investigative report of the Science and Technology, the Judiciary, the Economic, Planning and Budget Committees of the National Assembly on the draft regulation on protecting and developing the aquatic resources, the Council of State provided viewpoints to

amend this draft regulation and assigned the Science and Technology, the Judiciary, the Economic, Planning and Budget Committees of the National Assembly and the Ministry of Marine Products to perfect this regulation for submission to the Council of State for approval at the next meeting.

3. The Council of State heard the chief judge of the Supreme People's Court and chief procurator of the Supreme People's Organ of Control, and representative of the Council of Ministers report on the implementation of the Eighth National Assembly Fourth Session's resolutions on task of maintaining security and order and public safety for the first quarter of 1989. The Council of State commended various law enforcement agencies for their efforts in maintaining security and order and public safety during the past period. However, implementation of the National Assembly's resolutions is still slow, indecisive, and not in a uniform manner at all echelons and sectors, while the situation of social order and safety is still developing complicatedly. Crimes have not decreased, serious ones still occur, thus worrying the people.

The Council of State urged heads of various echelons and sectors, especially agencies of the internal security bloc, in their framework of authority, to pay special attention to implementing the National Assembly's resolutions to gradually discipline socioeconomic management, accelerate the propaganda to educate all citizens on the sense of respect for and scrupulous compliance with the law, continue to mobilize all people to positively participate in maintaining security and order and public safety.

Thai Binh Holds District Party Congresses

BK2903081289 Hanoi Domestic Service in Vietnamese
0500 GMT 29 Mar 89

[Text] In March, various districts in Thai Binh such as Thai Thuy, Tien Hai, Vu Thu, Quynh Phu Districts, and Thai Binh City have held their party organization congresses.

The party organization congresses of these districts have set objectives to be achieved in the next 2 years which consist of boosting the production of grain, foodstuffs, and export goods, continuing to perfect the new mechanism of management in agriculture in accordance with the Political Bureau's Resolution No 10, carrying on efforts to do away with the management mechanism based of state subsidies, and applying business cost accounting in various sectors.

The congresses have encouraged the development of various economic components.

The district party organization congresses have helped strengthen various party committees in accordance with a renovative spirit.

Views on Regional Peacekeeping Force

BK2903081089 Melbourne Overseas Service
in English 0500 GMT 29 Mar 89

[Text] A senior Papua New Guinea military official says any attempt by his country to set up a regional peacekeeping force would create rivalry with Fiji for the influence of the force. Addressing a seminar in the Australian city, Sydney, of military delegates from 25 regional countries, Lieutenant Colonel (Paul Dalla) accused Fiji of having a South Pacific superiority complex. He added that Fiji would be unable and unwilling to make any significant contribution to a regional force while committed to United Nations peacekeeping operations in the Middle East.

He also said Australia and New Zealand would be reluctant to become involved in any regional activities which would appear to support a particular political faction.

According to Col (Dalla), there are potential security problems in the Southwest Pacific and the regional peacekeeping force could deter internal uprising or external aggression. He said there was potential for serious internal disorder in countries like Papua New Guinea, Fiji, New Caledonia, and Vanuatu.

Col (Dalla) said the idea of a peacekeeping force supported by South Pacific Forum members emerged in 1980 after Papua New Guinean troops helped put down a rebellion in Vanuatu. He argued that the Association of Southeast Asian Nations, ASEAN, as a group would welcome establishment of the force as a contribution to regional stability. However, Indonesia, he said, could see the force as an impediment to its aspirations to influence, if not dominate, the region.

Australia**Hawke Offers Peacekeeping Force for Cambodia**

BK0604113089 Hong Kong AFP in English 1035 GMT
6 Apr 89

[Text] Canberra, April 6 (AFP)—Prime Minister Bob Hawke Thursday welcomed Vietnam's announcement that it would withdraw all its troops from Cambodia by September, and said that Australia was ready to take on a peace-keeping role.

Mr Hawke told newsmen that Australia would prefer an unarmed, monitoring role but would consider any request to join an armed peace-keeping force.

He said Australia would continue to oppose any new place for the "genocidal and obscene" leaders of the Chinese-backed Khmer Rouge who ruled Cambodia before being ousted by Vietnam in 1978.

Mr Hawke said that in all discussions with "our Chinese friends" his government had clearly expressed its repugnance for the Khmer Rouge under Pol Pot.

While hoping there would be no need for an armed peacekeeping force, Australia would consider any request from the main parties involved and the ASEAN countries to join an international body overseeing the settlement, he said.

Foreign Minister Gareth Evans told the Senate Wednesday night that Australia had consistently called for the withdrawal of all Vietnamese troops from Cambodia as a necessary pre-condition for any settlement.

"I received assurances during my visit to Southeast Asia earlier this year that military assistance to the various Cambodian factions would cease once all Vietnamese forces had withdrawn from Cambodia," he said.

"It is crucial that arrangements to give effect to those assurances be quickly put in place," he said.

Papua New Guinea**3 Killed as Bougainville Violence Continues**

BK0604085989 Hong Kong AFP in English 0834 GMT
6 Apr 89

[Text] Port Moresby, April 6 (AFP)—Two soldiers and a landowner were killed Thursday when rebel Bougainville landowners ambushed an army patrol, a hospital spokesman in the northern Papua New Guinea island said.

Joe Banakoiri, superintendent of Bougainville's Arawa Hospital, said one rebel landowner was killed and another injured in the shootout, which brought to 10 the number of deaths in recent outbreaks of violence.

Details of the ambush were sketchy and military officials in the capital Port Moresby refused to comment.

But sources in Bougainville said the soldiers came under attack as they were returning from patrol in mountains near Orami with a number of people they had arrested.

The hospital was alerted to expect casualties, but the two soldiers and another man were dead on arrival.

They were the first casualties among the 130 troops flown to Bougainville last month to join some 350 riot police following a new wave of violence by landowners demanding massive compensation from Bougainville Copper Ltd's mining operations on the island.

Thursday's attack came a few hours before the expiry of a government deadline for the leader of the militants, Francis Ona, to surrender.

The government has been dropping leaflets and broadcasting radio messages calling for Mr. Ona and his followers to give up by Thursday night.

If they do not the government has promised an all-out effort by police and troops to flush them out.

Informed sources said Mr. Ona and an unknown number of rebels were armed with primitive home-made firearms and bows and arrows.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, economic, military, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available source; it should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed, with personal and place names rendered in accordance with FBIS transliteration style.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Soviet Union, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.

END OF

FICHE

DATE FILMED

7 APRIL 89

